



HINDUSTAN COMPOSITES LIMITED
59TH ANNUAL GENERAL MEETING
DATE & TIME: 29TH SEPTEMBER, 2023 - 11:45 A.M.

TRANSCRIPT OF THE 59TH ANNUAL GENERAL MEETING OF HINDUSTAN COMPOSITES LIMITED HELD AT 11:45 A.M. ON FRIDAY, 29TH SEPTEMBER, 2023 THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS:

Mr. Ravi Vaishnav, Company Secretary & Compliance Officer:

Good morning Ladies and Gentleman! I, Ravi Vaishnav, Company Secretary & Compliance Officer of the Company, am pleased to welcome you all to this 59th Annual General Meeting ("AGM") of the members of Hindustan Composites Limited convened and held through Video Conferencing ("VC") / Other Audit Visual Means ("OAVM") in compliance with the various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Mr. Raghu Mody, Non-Executive Director and Chairman of the Company is unable to attend the Meeting today due to unavoidable circumstances. In absence of Mr. Raghu Mody, Board of Directors have elected Mr. P. K. Choudhary, Managing Director as Chairman for this 59th Annual General Meeting. Mr. P. K. Choudhary will chair the meeting today.

Before I hand over the proceedings to the MD Sir to declare the meeting open, I would like to highlight certain points here.

The Registered Office of the Company is situated at Peninsula Business Park, Tower A, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400013 and shall be deemed to be the venue for this 59th AGM and proceedings of the 59th AGM shall be deemed to be made here at.

We have received requests from 5 (five) member(s) for registering themselves as a speaker shareholder in this 59th AGM today. Speakers will be allowed to speak once the Chairman directs for the same. We request speakers to limit their speeches to 3-4 minutes for the benefit of other shareholders.

The Company has received authorized representations for 1,13,31,134 shares, (constituting 76.72% of the share capital), from Non- individual Members which are valid and accepted by the Company.

With this, I now hand over the proceedings of this meeting to the Chairman. Thank you.

CHAIRMAN

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Thank You Ravi.

Good Morning to everybody, a warm welcome to all the shareholders, directors and other dignitaries for this 59th AGM of your Company.

I thank all of you for participating in today's AGM and sincerely wish that all of you and your family members are safe and healthy. As we have requisite quorum participating through video conferencing for this AGM, I call the Meeting to order.

Let me first introduce my Board members and Key Managerial Personnel attending this meeting through VC/OAVM.

- 1) Mr. Lalit Kumar Bararia, Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee, Mr. Bararia, Welcome.
- 2) Mr. A. B. Vaidya, Independent Director and Chairman of Stakeholders' Relationship Committee. Vaidya Sahab, Welcome.
- 3) Lt. (Retd.) Gen K. S. Brar, Independent Director and Chairman of CSR Committee. Welcome Brar Sahab.
- 4) Mr. Deepak Sethi, Independent Director. Welcome Sethi Sahab.
- 5) Mr. Vinay Sarin, Non-Executive Director. Welcome Mr. Sarin.
- 6) Mrs. Preeti Agrawal, Independent Director. Welcome Preeti Ji.
- 7) Mr. Sunil Jindal, Chief Financial Officer. Welcome Sunil.
- 8) Mr. Ravi Vaishnav, Company Secretary & Compliance Officer.

I would like to inform and note the presence of:

- a. Mr. Ravindra Bafna, representative of M/s. Lodha & Co., Chartered Accountants and Statutory Auditors of the Company.
- b. CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries Secretarial Auditors of the Company and Scrutinizer of this meeting.

All of them are attending the meeting through video conferencing from their respective locations.

The Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or Arrangements as maintained under Sections 170 and 189 of the Companies Act, 2013 respectively and other documents are available and will remain accessible to the members for inspection who had requested.

Ladies and Gentlemen,

Let me cover the working of the Company.

I am delighted to announce that our performance in the year 2022-23 has set new benchmark and achieved an impressive turnover growth of 22 % to Rs. 283 Crores compared to the previous year. The net manufacturing revenue was higher by 26% from Rs. 186 Crores to Rs. 235 Crores. EBIDTA increased by 24% YOY to Rs. 41 Crores. This remarkable progress can be attributed to several key factors including planned capacity expansion, focus on R&D to build a diverse product portfolio, strong relationship with customers and judicious approach towards investment of Company's funds in various asset class.

The year 2022-23 started with new challenges as the global economy faced several setbacks such as rising inflation, climate challenges, disruptions to the supply chain caused by the war in Ukraine and re-emergence of Covid 19 in China. Consequently, the global economic growth rate slowed down. However, it is truly encouraging that India maintained its position as the fastest growing major economy and emerged as the fifth largest economy globally. It's indeed matter of great pride to all of us.

Indian automotive industry experienced a strong recovery across all the segments except two wheelers. It has now surpassed Japan and became 3rd largest automotive manufacturer after US and China. It's indeed a big achievement by Indian automotive industry. We have exceeded Japan now.

Passenger vehicle segment grew by 27% with strong underlying demand fuelled by new launches and need for personal mobility. Similarly, the commercial vehicle segment also witnessed remarkable growth of 49% with decent demand in the infrastructure and construction sectors. Government also introduced many incentives to encourage this automobile segment.

Under the above backdrop, our Company continued its growth momentum and scaled new height in revenue growth which was led by strong traction in commercial vehicle segment and also in rail friction material segment. Our Company is deeply aware of customer expectations and has taken proactive measure to align itself towards the development in high-performance products. The Company continues to emphasis on improvement in operational efficiencies, higher productivity and prudent cost control measures.

The Treasury segment faced some challenges related to fluctuations in interest rates, volatile stock market, currency depreciation and global uncertainties. However, performance of Treasury segment remains stable with conservative approach toward deployment of funds, keeping capital protection in focus. This is really very important for us. In investment segments we did quite well despite all the challenges.

Outlook for the current financial year remains positive with continued growth prospects of automotive and rail industry in terms of underlying demand. With clear focus on innovation and customer satisfaction, the Company is well positioned to achieve its plan and remain a major player in its business segment. Having said the above let me point out, regarding the recent hike in crude oil. You must have seen that the crude has touched almost 100 US Dollar, – and it still indeed not go too well for the Indian Industry. Overall things look positive, and we should certainly move ahead. I have enumerated the brief profile of the business and outlook.

I would like to place on record my sincere appreciation to all the employees and other stake holders for their valuable contribution during this challenging time.

You know festival season has just started and my greetings to all of you.

We continue to look forward to your support and blessings as always.

Thank you very much.

Now let me turn to the agenda of the 59th AGM. The Company has made necessary arrangements for conducting this 59th AGM through video conferencing and for voting by the shareholders on the items being considered at this meeting through remote e-voting platform.

As per the applicable provisions, the Company had provided remote e-voting facility to the members to vote on resolutions to place in this 59th AGM. Remote e-voting had commenced on Tuesday, 26th September at 9.00 a.m. and concluded on Thursday, 28th September at 5.00 p.m.

The shareholders who could not cast their vote electronically through remote e-voting facility and who are participating in this meeting, will have an option to cast their votes during the meeting.

The Notice and the Annual Report containing the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2023 along with Board of Directors' Report and Auditors' Reports thereon along with relevant annexures have already been circulated to the members.

With your kind permission, I shall take the notice convening this meeting as read.

The Auditors' Reports do not have any qualification, observation or comment on financial transactions or matters which have or may have adverse impact on the functioning of the Company, so reading of Auditors' Reports in the meeting are not required.

The Secretarial Auditors have made one observation in their Report and I invite the attention of the members to the explanation provided on the observation in the Board of Directors' Report at item no. 27 at page no. 21 of the Annual Report.

Now I would like to proceed with the agenda of the meeting.

First, we will proceed with the agenda, thereafter will invite queries, if any, from the registered speaker members.

CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane has been appointed as Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

Now, let me turn to the business items, which are included in the notice convening the 59th AGM. I shall proceed with the agenda of the 59th AGM. First three items are Ordinary Business.

ITEM NO. 1 OF AGENDA

The first item of agenda is to receive, consider and adopt the Standalone Audited Financial Statements for the financial year ended 31st March, 2023 together with the reports of the Board of Directors and Auditors thereon and Consolidated Audited Financial Statements for the financial year ended 31st March, 2023 together with the report of the Auditors thereon. These are Ordinary Resolutions.

I request the members to record their assent or dissent to the resolutions through the e-voting process.

AGENDA. 2

To declare dividend on Equity Shares @ 40% out of the current profits of the Company for the financial year ended 31st March, 2023 i.e. @ Rs. 2.00 per share of face value of Rs. 5 each. This is an Ordinary Resolution.

I request the members to record their assent or dissent to the resolution, through the e-voting process.

AGENDA. 3

To re-appoint Mr. Raghu Mody who retired by rotation and being eligible has offered himself for re-appointment as Director of the Company. This is again an Ordinary Resolution.

I request the members to record their assent or dissent to this resolution, through the e-voting process.

AGENDA 4

Regarding payment of commission of Rs. 2 Lakh to each Independent Director of the Company for the financial year ended 31st March, 2023. This is again an Ordinary Resolution.

I also invite the attention of the members to the particulars provided in the Explanatory Statement attached to the Notice of this AGM regarding payment of commission to the Independent Directors of the Company.

I request the members to record their assent or dissent to the resolution through the e-voting process.

Next agenda - Being interested in the next agenda item no. 5, I vacate the Chair and request Mrs. Preeti Agrawal, Independent Director, to take the Chair and proceed with the next item of this AGM notice. Mrs. Preeti Agrawal, over to you.

Mrs. Preeti Agrawal, Independent Director

Good Afternoon! Ladies and Gentlemen!

ITEM NO. 5 OF AGENDA

The fifth item of agenda is to approve the revision in remuneration payable to Mr. P. K. Choudhary, Managing Director of the Company w.e.f. 1st April, 2023 for the remaining period of his current tenure. This is an Ordinary Resolution.

I also invite the attention of the members to the particulars provided in the Explanatory Statement attached to the Notice of the 59th AGM regarding revision in remuneration of Mr. P.K. Choudhary, Managing Director of the Company.

I request the members to record their assent or dissent to the resolution, through the e-voting process.

I now vacate the Chair and request Mr. P. K. Choudhary, Chairman of the meeting, to reoccupy the Chair and proceed with the remaining agenda of the meeting.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Thank You Preeti ji for considering my remuneration. I go ahead for the next item.

AGENDA ITEM NO. 6 OF THE MEETING

This is for ratifying the remuneration payable to Cost Auditors for the financial year ending 31st March, 2024. This is an Ordinary Resolution.

I also invite the attention of the members to the particulars provided in the Explanatory Statement attached to the Notice of the 59th AGM regarding ratification of remuneration of the Cost Auditors for the financial year ending 31st March, 2024.

I request the members to record their assent or dissent to the resolution, through the e-voting process.

AGENDA NO. 7

This is regarding re-appointment of Mr. Raghu Mody as a Non-Executive Non-Independent Director of the Company. This is a Special Resolution. This is required because he is above 75 years of age.

I also invite the attention of the members to the particulars provided in the Explanatory Statement attached to the Notice of the 59th AGM regarding re-appointment of Mr. Raghu Mody as Non-Executive Non-Independent Director of the Company.

I request the members to record their assent or dissent to the resolution, through the e-voting process.

AGENDA NO. 8

The Eighth item of agenda is regarding appointment of Mr. Vinay Sarin as a Non-Executive Non-Independent Director of the Company. This is a Special Resolution.

I also invite the attention of the members to the particulars provided in the Explanatory Statement attached to the Notice of the 59th AGM regarding appointment of Mr. Sarin as a Non-Executive Non-Independent Director of the Company.

I request the members to record their assent or dissent to the resolution, through the e-voting process.

I would like to mention that a few shareholders have sent their questions earlier on the accounts and annual report of the Company and I shall reply to such questions.

Now the shareholders who have sent their requests for speaking in the AGM can speak and I request Ravi to announce the names of the speakers and make necessary arrangements for the same.

Kindly do not repeat the questions already raised by the members.

Thank you, over to You Ravi.

Mr. Ravi Vaishnav,

Thank you, Sir!

So we have received 1st registration from Mrs. Asha Lata Maheshwari

I request the host to unmute **Mrs. Asha Lata Maheshwari**

Mrs. Asha Lata Maheshwari

I am Asha Lata. Shriman Chairman sahab, mere sabhi director bhai, mera naam Asha Lata Maheshwari. Aap sabko mera saadar namaskar. Chairman sahab, aap se milne ki meri bahut meri itchha thi kyunki inn ankho ko jab aapka didar hota hai, din koi bhi ho mujhe to vo tyohar sa lagata hai. Annual Report padhi acha laga ki Company. profit me hai. Jab ki Russia aur Ukraine me ladai chhidi hui thi aur china me lockdown tha aur aapne guidance bhi bahut ache diye hai. Jese jese economy revive hogi improve hogi aur sadake banegi wese wese trucko ki aur gadiyo ki demand badhegi. Mujhe pura vishwas hai ki ye saal hamari Company ke liye bahut acha hoga. Uthakar hath khuda se dua karti hu ki Company ki jami par laxmi barasti rahe, khuda itna meharban ho jaye ki aapki company ki jami sona ugalane lage. Chairman sahab Aap ne jo energy saving ke liye jo kadam udhaye hai bahut badiya hai aur CSR ke project to ache hi hai. Aap ko itne award bhi mile hai. Apko me badhai deti hu aur balance sheet bhi bahut achi banayi hai, koi bhi fizul kharcha iss par nahi kiya gaya hai. Bhagwan se me prarthana karungi ki aap sab ki khwahish puri ho aur dua kabul ho. Aata saal aapki Company me itna acha ho, aap sab ke chand se chehro par hamesha Muskan ho. Chairman sahab main 2 shabd jarur aapke liye kahungi. Aaj hamare chairman sahab toh kuch bimar hai par me unke liye 2 shabd kahungi aaj. Apke kaamo ne sab ko khush hal bana diya; Apke kaamo ne sab ko khush hal bana diya, karjdar hu me uss khuda ki; karjdar hu me uss khuda ki, jisne mujhe mere bhai Raghu Mody ji se mereko mila diya. Bhagwan Apko sukhi rakhe lambi aayu de, aap kabhi bimar na pade, aur Chairman sahab, main aayi nahi 2 saal lekin yaad mujhe raha, 2 saal pahle, main jara bimar thi, hamare MD sahab jo aaj aaye hue hai, MD sahab ne meeting attend ki thi, bahut badiya attend meeting ki thi, main unki jitni bhi tarif karu vo kam hai, aaj bhi unhone kara hai, main jitni tarif karu vo kam hai, mera unko Ashirwad hai, Chairman Sahab, mene samjha tha ki Amit Goenka ji ko bhi to kafi saal ho gaye hai iss company ke andar, to me to samaj ke aayi thi ki vo Director ban gaye honge, par vo director to nahi bane, mujhe jara ajeeb sa lag rah hai ke itne saalo baad bhi vo director nahi bane, par meri dua hai bhagwaan se ki jara jaldi hi unko director banayenge to acha rahega.

Main sabhi employees, executive ki tarif karungi aur bahut hi un sabko me Ashirwad dungi aur sabhi resolution me main sab ke favour me hu, strongly support dete hue main sab ke liye kahungi sab ki jay ho.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Dhanyawaad Asha Lata ji, Aap me abhi bhi itni energy hai, apne hamesha company ke bare me acha kaha hai to, hum bhi Ishwar se prarthana karte hai apki bhi tabiyat thik rahe, aap hame ashirwad aise hi deti rahe, aur kabhi apne milenge aur milkar aur baatein karenge, Dhanyawaad.

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

We will move to the next speaker which is Mrs. Lata Negandhi.

I request the host to please unmute Ms. Lata Negandhi.

Host / Administrator of the AGM from CDSL:

Sir, she is not present.

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

Okay, we will move to the third speaker which is Mr. Bharat Negandhi.

I request the host to please unmute Mr. Bharat Negandhi.

Host / Administrator of the AGM from CDSL:

Sir, he is not present

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

We will move to the next speaker which is Mrs. Celestine Mascarenhas.

I request the host to please unmute Mrs. Celestine Mascarenhas.

Mrs. Celestine Mascarenhas

Hello, am I audible?

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

Yes Ma'am, You're audible.

Mrs. Celestine Mascarenhas

Ha, I want to even photo to come, I am visible.

I am visible no, nice to see you all, Good Afternoon.

After a such a long time, it is my great joy because so many years I used to come in the physical and now I miss my brother Mr. Raghu, Raghu Mody. I thought he would be there, we used to have always a nice dialogue in that short meeting.

Sir, How is he sir, Mr. Raghu?

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

he is fine, he is very fine.

Mrs. Celestine Mascarenhas

He is fine no, I am very happy.

Ok, because we say one prayer together. You know.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

I know, know, you're are always very – very friendly and bless full. Thank you.

Mrs. Celestine Mascarenhas

Very friendly means I know him since last twenty years. That is why.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

I know I Know that.

Mrs. Celestine Mascarenhas

So much affection, love and argument and all. anyway, it's fine, it's ok.

Now,

I go to the formal part.

Respected MD Mr. Pawan Kumar Choudhary, other Members of the Board, my fellow shareholders who are participating in this VC. I am Mrs. C E Mascarenhas and speaking from Mumbai.

First, I thank the Company Secretary Mr. Ravi Vaishnav and his team for sending me an Annual Report and also registering me as a speaker, thank you so much and giving me a nice good platform to speak, that's also big thanks. Now I come to the Annual report, so beautiful, so many pictures, informations and at the same time adhering to all the norms of corporate governance. Next I congratulate, nai first I will talk on the Annual Report, very good, a good dividend, good working, market capitalization is also very good, and what I find this balance sheet is too good because two thousand lakh are transferred to GR which is, which shows there is big growth in the Company, when General reserve, nowadays, many companies I don't see anything being transferred to General reserve. So you are thinking about the future that is sure, but for sure, market capitalization is also good, now I come to my queries, nai first congratulations for all the awards and also for the very good CSR work. Awards are fantastic, all gold awards we have got you know, now I come to the queries, I would like to know whether we have done anything from the ESG front, ESG, whether we have gone for a rating, whether you have started the procedure, you might have rated also or you must be planning to listed on a dedicated platform, so please throw light. Now I go to the number of employees, how many employees and the percentage of women and only percentage of woman and physically challenged employees, we have two plants – one in Aurangabad and another in Bhandara. I would like to know what is the capacity utilization average of these plants. We have, do we have any additional land which we can do growth in the

future, putting another plant or line or anything? What is the capex requirement for the next five years for organic and inorganic growth by acquisitions? We are cash rich, we are having the investments in the mutual funds and all, so we have enough money, so we can go for some acquisitions because automobile is become the Savory, it is the best like you know, all the while we talked about auto mobile and we are connected and we are doing for the automobile so the future growth is tremendous. With this I have supported all the resolutions specially of Mr. Raghu Mody and I pray that all of you'll have a very healthy life and also may prosperity come bountiful and may God bless our company hundred hopefuls. With this I end up wishing you'll all best, and Namaskar. Thank you once again.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Thank You Ma'am for your kind words. As usual, you are very graceful, you raised few queries, so I'll answer at the end all questions. Thank you.

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

Thank You Ma'am, We will move to the next speaker which is Mr. Vinay Bhide.

I request the host to please unmute Mr. Bhide.

Host / Administrator of the AGM from CDSL:

Sir, he is not present

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

We have received some queries from the shareholders, some of Which is covered in the Chairman Sir's speech. For remaining queries I would request Chairman sir to reply the same.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Since now, no more speaker is there, so, Thank you, Asha Lata Ji and Mrs. Mascarenhas. So, we are really indeed grateful for supporting the Company for so many years. We got certain queries, related to ESG front, it is really a good question, so Company has already taken many of the initiatives towards ESG. For the energy side we have already put a plant – solar plant of one megawatt which is going to start in the next week only, so this plant has been out at our Paithan plant, then we have taken many initiatives for recycling of the material or other sustainability things, then lot of health and safety items. So, we have got a planned ESG program which we are carrying out. Regarding the rating, since we are not required to rate ourself, so this has not been done, but in future we are going consider this thing. Number of employees, we have got about six hundred employees, capacity utilization at our Paithan plant, our capacity utilization is above ninety percent, at Bhandara plant it's above eighty five percent. Additional land, Yes, at Paithan we have got additional land available for expansion. Capex, we are continuously carrying out the capex, so, our philosophy is that whatever depreciation we are providing, we must invest

so much of money for the capex for the normal capex then for capacity expansion it will be additional capex. We have got well planned capex strategy. I think this query of madam had been given. Then one other shareholder has raised similar queries related to capex, related to number of employees, related to some of the expenses and one query was even when the last bonus was declared, it was declared in 2017 at the ratio of 1:2 then the book closure for 7 days and as practice we do book closure for 7 days, basically, these were his queries, so I have covered all the queries.

I would like to thank all the shareholders for attending the meeting and showing support to the Company and raising valid and important questions.

The result of voting on resolutions dealt in this meeting will be announced within 2 working days from the conclusion of this meeting and will be disseminated on the Company's website and the website of CDSL and communicated to the Stock Exchanges where the shares of the Company are listed.

Now, I request all shareholders who are attending this meeting and who have not cast their vote through remote e-voting to exercise their vote on CDSL e-voting platform using the same login credentials as are being used by them for attending this live 59th AGM. The e-voting window will remain open for another 15 minutes from now. After that the e-voting window will be closed.

Now I request Ravi to put a vote of thanks before we close the meeting.

VOTE OF THANKS:

Mr. Ravi Vaishnav, Company Secretary and Compliance Officer

Thank You Sir.

I thank Mr. P. K. Choudhary, Chairman of the meeting for successfully conducting the proceedings of this Annual General Meeting. I also thank all the members and all other dignitaries for participating and attending the meeting and the confidence reposed in us.

MR. P. K. CHOUDHARY, MANAGING DIRECTOR

Thank you, Ravi!

We have dealt with all the items of agenda; I declare the meeting as concluded.

Thank You once again for joining the meeting.

Thank You goodbye.

Host / Administrator of the AGM from CDSL:

Please close the meeting and stop the recording.