Transcription- Bharat Gears Limited

Prashant Khattry- Dear shareholders, good morning to everyone and a warm welcome to the 51st Annual General Meeting of Bharat Gears Limited. Members may note that this Annual General Meeting is being held via video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI.

As per the statutory requirements, the proceedings of this meeting is being recorded. The transcript as well as the recording will be uploaded on the website of the Company. Basically for joining this meeting through video conference or other audio visual mode is made available for the members on first come first serve basis.

As the AGM is being held through video conference, the facility for the appointment of proxies by the members is not applicable and hence the proxy register for inspection is not available. The register of members, register of directors, key managerial personnel and the register of contracts or amendments have been made available electronically for inspection by the members during the AGM.

For the smooth conduct of this meeting, all the members will be in mute mode. Audio and video modes shall be unmuted for those who have listed themselves as speakers.

Members who have not registered as speakers can ask their queries to the panelist via an active chat board during the meeting. Please remember your speaking serial number which will be appearing in the voting registration message once you mark your attendance for the meeting. You are requested to speak only when you will be invited to speak as per the serial number.

Members who have not yet exercised their vote through remote e-voting may click the voting button and cast their vote, which is appearing on the right hand side of your VC meeting screen. You may enter the demat account number, folio number and the OTP received on the registered mobile and registered email id during the restriction for Insta meet and e-vote.

And Now I request our Chairman, Mr. Surinder Paul Kanwar to initiate the proceedings of the meeting.

Surinder Paul Kanwar- Good morning dear shareholders, it gives me great pleasure to welcome you all to the 51st Annual General Meeting of your Company. Pursuant to the various circulars issued by the Ministry of Corporate Affairs (MCA), the 51st Annual General Meeting is being conducted by electronic means through VC/OAVM platform InstaMeet provided by the registrar of transfer agent, Link Intime India Private Limited. The Notice and the Annual Report for the financial year 2022-2023 was sent by electronic mode to the members whose email addresses are registered with the Company and Depositories.

Now I would like to introduce Director and Key Managerial Personnel to the shareholders. Mr. Sameer Kanwar, Joint Managing Director, Mr. Rakesh Chopra, Non-Executive Independent Director, Chairman of Audit Committee and Stakeholders' Relationship Committee, Mr. V.K. Pargal, Non-Executive Independent Director and Chairman of Nomination and Remuneration Committee and Lead Independent Director, Mr. W.R Schilha, Non- Executive Independent Director, Mr. N.V. Srinivasan, Non-Executive Director, Ms. Hiroo Suresh Advani, Non-Executive Independent Director, Mr. Raman Nanda, Non-Executive Independent Director, Mr. Milind Pujari, Chief Financial Officer, Mr. Prashant Khattry, Corporate Head (Legal) and Company Secretary and myself Surinder Paul Kanwar.

Mr. Prashant, please confirm the quorum is present?

Prashant Khattry- Quorum is present, sir.

Surinder Paul Kanwar- The report of Statutory Auditors on Financial Statements and the Secretarial Audit Report of the Company for the year ended 31st March 2023 does not contain any qualification, reservation or adverse remark which need any explanation or comment of the Board.

Dear shareholders, the past two years have been testing the resilience of individuals and businesses at an unprecedented level. It was no different at Bharat Gears. However, despite the odds, we adapted quickly to the evolving environment and bounced back with renewed strength and vigour.

FY 2022-23 has been an incredible year for India. India outperformed amongst the world's fastest growing economies and continues to show resilience even as most developed nations faced slowing growth amidst high inflation and geopolitical tensions. The Indian economy posted a growth of 7.2% in FY 2022-23 after delivering 9.1% growth in the previous fiscal.

India's improved outlook is attributable to the Government's journey for self-reliance and thrust on domestic manufacturing. Its importance got accelerated in the aftermath of pandemic and the Russia-Ukraine conflict, which saw heightened uncertainties globally. Moreover, the 'China Plus One' policy has been gaining momentum as companies seek to diversify their reliance beyond China to other destinations. This has put India at an advantageous position, particularly due to its manufacturing competence, R&D capabilities and availability of low-cost skilled labour. Along with this, efforts by the Reserve Bank of India (RBI) have led to a sharp improvement in credit growth and the health of the financial sector, robust tax collections, and well-controlled inflation. The Union Budget 2023 has placed strong emphasis on manufacturing and infrastructure creation through increased capital expenditure allocations. All these factors along with digitisation focus can propel India's economic growth and unlock new opportunities.

In India, the automobile industry made gains in FY 2022-23 from global supply chain rebalancing, strong domestic demand, and push for domestic manufacturing. Demand for PV and MHCV were strong, driven by healthy consumer demand and increased industrial activity. The electric vehicle (EV) segment also saw increased off take.

The growth momentum of the automotive industry is expected to continue in 2023 despite operating challenges such as supply chain disruptions, high inflation, and input cost pressures. Favourable Government policies such as the extension of FAME-II scheme till 2024, multiple Production- Linked Incentive (PLI) schemes, announcement of scrap page policy and rollout of battery swapping policy are likely to aid growth and address short-term challenges. Further, India‘s focus on infrastructure creation, agricultural growth, and farm mechanisation will create significant opportunities in construction equipment and agricultural machinery sectors.

During FY 2023, there was robust demand from OEMs for the first nine months, demand was subdued in the Q4. On the back of this robust demand for majority period of the year, your Company was able to achieve revenue from operations of Rs. 766.37 crores in FY 2022-23 against Rs. 729.44 crores in FY 2021-22, resulting into a y-o-y growth of 5%. Operations for FY23 resulted in an EBITDA of Rs. 54.75 crores vis-à-vis an EBITDA of Rs. 69.29 crores for FY22.

Decrease was largely on account of steep increase in power & fuel cost & major repair work carried out at Mumbra plant.

At Bharat Gears, we have always been at the forefront of technology trends in the automotive industry. Our relentless focus on innovation has continued to differentiate us from the rest. During FY 2022-23, we have undertaken multiple cost reduction exercises which will result in significant cost optimisation and improvement in margins and profitability. At the same time, our focus on technology up gradation, process innovations, and portfolio expansion remains unabated. Keeping up with the changing times, we are also digitising our operations and enhancing our manufacturing capabilities to improve operational efficiencies. Through retrofitting and refurbishing of machines, we aim to continuously enhance our productivity and efficiency. I am also delighted to state that we are leveraging our relationship with existing and new customers in India and overseas to broaden our product range and strengthen presence and market share.

To stay ahead of the curve, we are exploring opportunities in the emerging segments of electric and hybrid vehicles, small utility machines for small-holding agricultural lands, and heavy construction machinery for infrastructure projects by leveraging our robust capabilities. E-mobility is a mega trend and the future of the automobile industry. We are focussed on developing innovative and future-ready technologies to drive sustainable and clean mobility solutions.

Your Company is well positioned for consistent and sustainable growth in the coming years on the back of expected recovery in economic activity and automotive industry. We are continuously expanding our product portfolio and technological capacities and capabilities to achieve operational excellence and drive market share gains across all our segments.

I take this opportunity to thank all the shareholders, employees, suppliers, and business partners who worked relentlessly to ensure that we continue to serve our customers and create value for all. I am also grateful to our stakeholders who continue to support and engage with us in our journey. Thank you.

Now I will take up the agenda item as per the Notice of AGM for members to cast their vote through electronic means.

Item No. 1 (Ordinary Resolution): To receive, consider and adopt the financial statements of the Company for the year ended 31st March 2023, together with reports of Directors and Auditors thereon.

Item No. 2 (Special Resolution): To consider the re-appointment of Mr. Nagar Venkatraman Srinivasan, who retires by rotation and is eligible for re-appointment.

Item No. 3 (Ordinary Resolution): To consider the ratification of the remuneration payable to M/s Kulshreshtha & Associates, Cost Auditor of the Company for the financial year 2023-2024.

Prashant Khattry- Members now can cast your vote electronically before the conclusion of this meeting and the resolution passed shall be declared within the prescribed time limits.

Surinder Paul Kanwar- Members who have registered themselves as a speaker may ask all the queries according to their sequence and other members who have not registered as a speaker may ask their questions in active chat option.

Prashant Khattry- This session is now open for query Sir. Mr. Rajeev will now take the names of speakers who have registered themselves for queries.

Moderator- Thank you Sir. Now, I invite our first speaker for the evening Mr. Ankur Chanda. Kindly enable your video and you may ask your question now.

Ankur Chanda- *Good morning to everyone. I just want to say that our corporate governance is great. Isme dikkat toh kahi hain hi nahi. Bas yahi chah rahe hai ki aap log mehnat se achi tarah kaam karte rahe kyunki mehnat karenge toh hamare ko share price mein reflect krega. Share price main reflect karega toh automatically humein return achi milegi, bas yahi chahte hain. Secretarial department to jo pul ka kaam karta hai, Company aur shareholder ke beech mei kaam karta hain, wo apna kaam bakhubi kar hi rahe hain. Isliye koi dikkat hi nahi hai Sir. Iske saath dhanyavad kehna chahunga.*

Moderator- Thank you. Now we move on to our next speaker, Mr. Tony Bhatia.

Tony Bhatia- Respected Chairman *Sahab*, Sameer *Ji*, a Canadian national, and eminent Board of Directors and my friends, I hope you won't mind me speaking in Hindi. *Chairman sahib sabse pehle toh aapne bahut hi beautiful* *speech di usme aapne Company ka working bataya aur present and future sab bataya.* Muje *bahut acha laga, company ki working ko dekhke* and I am happy to note that our Company is doing extremely well. I am going to take a few points- revenue from operations was Rs 775.12 crore against Rs 732.97 crore. Profit after tax that is slightly lower, no problem. *Dividend aapne nahi dia, main aapke saath hoon. Apne dividend ka paisa,* I'm going to read only two lines, if you permit me. With a view to conserve resources for future growth, the Directors of the Company have decided not to recommend any dividend on equity shares. *Main bilkul aapke saath hoon, aapne bilkul sahi step liya hai. Aapne company ke future growth ko dekhte hue paisa retain kiya hai.* I am 100% with you, Mr. Chairman. I am going to read out further two paragraphs- Over 50 years Bharat Gears has been delivering cutting-edge technology solution to its customers transcending borders. The road to being one of the world's leaders in gear technology and one of the India's largest gear manufacturers has been a story of relentless focus. This is such a good sign Mr. Chairman. I appreciate it. I will read one more paragraph, with a legacy spanning five decades Bharat Gears is India's leading automotive gear manufacturing Company and one of the leading global suppliers of automotive gears. We manufacture high quality and high engineered gear for the automotive industry. This is such a good sign Mr. Chairman. *Aapki leadership mein apne Sameer Ji, Board of Directors aur sabhi employees ki leadership mein* Company is doing extremely well. Sir, *ek cheez aur*, on Corporate governance, you have shown it in such a good manner. For this, the credit goes to our CFO and Company Secretary, Prashant Ji. *Quality pe,* in this regard, I will say q*uality pe kabhi compromise mat karna*, my respected Chairman. Our quality second to none. *CSR activities pe bhi aapne kaafi dhyaan dia, iske lie bhi aapki tareef karunga. Zyada waqt ni lunga, ek toh company ne jo Link Intime ke sahare jo link dia hai, jisse aapse baat ho paa rahi hai unka bhi mein shukriya ada karta hoon. Ek baar mein fir mein Chairman sahib aapka, poore Board ka aur apne respected WR Schilha ka jo ki apne German national hain jinhone is Company ko time to time technical know-how di jisse company ko support kiya, unka bhi aabhari hoon.* With these words, I support and second the balance sheet. God bless you, Mr. Chairman.

Moderator- Thank you Mr. Bhatia. Now we move on to our next speaker Mr. Manjeet Singh. Sir, request you to kindly enable your video and you may ask your question.

Manjeet Singh- Hello to Bharat Gear’s management team, Secretarial team and co- shareholders, *mein sabhi ka swagat karta hoon, Bharat Gears*

Company jis tarah se varso se chalti aarahi hain, aane wale time mein aur acha pardarshan kare, hum iski umeed lagaye baithe hai aapse. Hum apne total income mein se Research and Development par kya kharcha karte hain, is baarein mai bataiyega zara? Jis tarah se hum samay-samay par Auto Expo ka jikr sunte rehte hain, toh videsh se kayi countries ke delegation yaha par aaye, toh kya kabhi auto accessories kabhi koi expo hota hai ya pardarshani lagti hai yaha par, jisse ki hume desh aur videsh se vyapaar milein, itni countries humare yaha aane ko icchuk hain agar humara desh bulata hain. America se lekar England tak ikkthe aate hai hamare yahan. Toh issi tarah vyapar ke lie ye delegation aayenge. Agar aisi koi auto accessories expo lagta hain toh bahut achi baat hain, agar nahi lagta hain toh aap apne association ke saath milkar ispe dhyaan dijiye kyunki aap auto accessory mein bahut purane player hain. Îs taraf dayan dijiye. Apni association ke sath mil kar is tarah ki koi yojana banaiye kyunki isse Hindustan ka auto accessories ka market badhega, iski hum porri umeed rakhte hain. Aur Ṣir, aapse ek guzarish hain ki aane wale time mein koi promoter ki holding badhane ke lie buy-back ki umeed hum aapse karein? Kya aap is baarein mein koi corporate action lenge? Baaki investors ka jis tara s tussi pura dhayan rakha hai, 505688 jo aapka BSE code hain aur symbol hain Bharat Gears', investors ka apne ismin poora dhyan rakha, aur company ne humesha tarraki ki hai. Kuch sale hamari June quarter ki kam rahi hai. Aane wale teen quarter mein hum umeed karte hain ki uski hum recovery karenge. Aur jis tarah investor hamare share mein investment karta hain, usko investor ka pura laabh aur refund milega usse, iski hum umeed karte hain. Adhoori reh jayegi baat agar Secretarial department ka zikr ni hoga, unhone poori mehnat se haemin aapse jodde rakha hai, itni dur baith kar bhi hum aapse judd paae hain. Iska aapke moderator aur secretarial department ko mein bahut badhai dena chahunga. Wo sabhashi ke laayak hai, aap Secretary shahab ki peet zaroor thap-thapiyega, itni aapse hamari guzarish hain. Thank you for the management and Secretarial team of Bharat Gears.

Moderator- Thank you, Sir. Our next speaker is Mr. Rama Jain is currently not present in the panel. So, we move on to our next speaker, Mr. Subhash Chandra Wadhwa Kindly enable your video and you may ask your question.

Subhash Chandra Wadhwa- Respected Chairman and Board of Directors, good morning. My name is Subhash Chandra Wadhwa, and I have joined from New Delhi. First of all, I want to say Chairman Sir and entire management of Bharat Gears for doing very well during Financial Year 2022-2023. Our Secretarial department under the leadership of Prashant Khattry Sir is very proactive and I am happy that we get response from them quickly. Thanks for confirming my name as speaker. I support all the resolution of the Company and I want to know from Chairman sir, how the Company is planning to grow the business in the coming 3-4 years' time. Thank you.

Moderator- Our next speaker is Mr. Gaurav Kumar Singh.

Gaurav Kumar Singh- Respected Chairman Sir, Board of Directors and fellow shareholders, good morning to all of you. Myself, Gaurav Kumar Singh joining from Delhi. So first of all, I would like to thank our Company Secretary Prashant Ji and his entire team for the dedication and hard work due to which we are able to connect. Most of my questions were covered in the Chairman's speech. Still, I want wish to know one thing: What actions we are taking to improve the industrial confidence and as far as the agenda of this session is concerned, I support all the resolutions along with all my family members. And also, I would like to request you two things. The first is: Kindly conduct future AGM in virtual mode as it is a very good platform. And second is: Kindly plan factory visit for interested shareholders so that we can also get a chance to see how our Company is working behind the scenes. Once again, I wish to thank our secretarial team, CFO and Company Secretary for providing excellent corporate governance and I hope our management will take this Company to new heights and new borders in future. In the end, I wish you a bright future for the company and good health for all of you. That is all from my side, thankyou sir, Jai Hind.

Moderator- Our next speaker Mr. Gagan Kumar. Sir, kindly enable your video and ask your question.

Gagan Kumar- Good morning, Mr. Chairman, Board of Directors and fellow shareholders. Myself, Gagan Kumar, I'm joining this meeting from Delhi. I would really like to congratulate our strong Board composition, which has a good mix of Directors and Independent Directors, I'm sure they will guide the entire management to take Bharat Gears to next phase of growth. I'm talking about the stock price now, from Rs. 96 to Rs. 173 in last financial year, it was almost double. I want to know that as we received bonus 1:2 despite of several challenges, what is the current status of our order book? And what is our value creation roadmap for the next two years and how many shares of our Company are transferred into IEPF Fund? It would be unfair on my part if I don't mention the hard work on corporate governance under the leadership of our CFO and our CS. Thank you so much for this opportunity.

Moderator- Our next speaker Mr. Chetan Chadha.

Chetan Chadha- Thank you so much for giving me the chance to speak with you. *Sabhi saare shareholders ne Company ki kaafi appreciation ki hai. Isme koi dohrai ni hain ki share price ne Rs. 96 to Rs. 173 cross kia hain. Sabko Umeed yahi thi ki bonus declaration ke baad kam se kam share ka price Rs. 250 cross hoga lekin wo achieve ni hui. Lekin ab after the bonus dekhe toh aaj share Rs. 125-Rs. 130 ke around workout kar raha hain, usme dekhe toh Rs. 200 around pahunch chukka hain. Hum Umeed karte hain ki jis taree ke se hum log acha kaam kar paa rahe hain, uske hisaab se share ka price Rs. 250 aana chahiye aur high Rs. 300 tak toh jana chahie kyunki market volatile boom ke upar hain. Usme hamara koi role up nahi hai lekin hamari work out role up karate hai. Ek mera question ye ki hamare paas order book kitni hai iss financial year ke lie? Humne is financial year mein kuch naye products launch karne ka program banaya hai kya? Kyunki market kaafi volatile chal rahi hain. G-20 ka humari industry ko kya benefit milne wala hain? Iske bare mein jaroor bayatein, kyunki entire world se bade-bade nominees yaha aaye hain or un logon ne yahan pe Indian Government se kaafi saari achievements ki hain. Toh isme hum apna role kya break out kar payenge aur apne aap ko usme kitna utar payenge? Aur hum unse kya cheez nikaal payenge, taaki humari profitability aur order books strong hojaye, is baarein mein bataiye? Next year ka jo road map plan hain, usmei hum kya karne wale hain? Aur iss saal ki financial capabilities se next year ki capabilities ka johume target rakha hain usmei kitna percent ki badhotari rakhi hai, taki jo hamari next year ki capability hai, use kitna change hoga? Iske bare mein jaroor batayein. Sir mere se pehle 6-7 shareholders speech de chuke hain lekin kisi ne aapse milne ki request nahi ki. Lekin meri personal request hai aapse ki mein aapse every year milna chahta hoon aur AGM ko hybrid model pe rakhe aur hume aapse milne ka mauka zarur de. Ho sake toh meeting ko hybrid model mein le jaae taaki jisse physically join karna ha wo karle aur jisko VC mode mein join karna hai wo online karle. Hume aapse milne ka saal mein ek baar mauka zarur de. Possible ho toh hum EGM bhi plan out kar sakte hain.* Thank you so much.

Surinder Paul Kanwar- Thank you Mr Chadha. We will surely meet you.

Moderator- Thank you, Sir, we move on to our next speaker. Mr. Santosh and M.P. Bhutani.

M.P Bhutani- Very good morning, Chairman Sir. Namaskar, Jai Bharat. Jai Bharat Gears Limited. First of all, I would like to thank the management team for giving me opportunity on this platform and thanks to the C.S. team for accurate compliances made well in time. All of my questions covered in your speech, and I think there are no questions left related to accounts and others. Our Company is doing very best, and the performance of the Company is also on the level of satisfaction and one general question I want to know Sir, in the competition line and the raw material cost and profit margin, what is the roadmap for growth, profitability and the profit margin of the Company during this year and next year? Thank you very much Chairman Sir. God bless you and we wish the Company all the best for the future and hope to see a healthy growth in the business and size of the Company. I am M.P. Bhutani and Santosh Bhutani, shareholders. Our questions have been covered and there is no question left now. Thank you very much to management team and C.S. team. *Jai Bharat. Jai management. Hamari management is tarah Badhti rahe. Company ki performance better se better the aapki team main, apki adhyakshta mein. Apki jo future planning hai, our des iki growth mean apka jo yog daan hai, jo automobile and automotive parts ka jo yog daan hai, wo bahut accha yog daan mana gya hai. Our ye trend phi continue rahega. Thank you very much Chairman sahab. Bahut bahut namaskar.* Thank you very much Sir.

Surinder Paul Kanwar- Thank you, Mr. Bhutani. I think 2-3 questions have been asked which I should answer, one of the shareholders requested on the G-20, your company is dealing with all the major countries in the world as long as G-20 is concerned, and we are working with them. A lot of parts has been also under development. We will go ahead on that. In the next 3-4 years, we expect to go to more than Rs. 1000 crore as a turnover. As far as Auto Expo is concerned, we have been including the component makers in every kind of exhibition. So, it has been taken care in the exhibitions. Today raw material is a major concern of economy as prices are going up the street and are very volatile. We are taking up the customer on those issues. That is a natural thing. I hope I answered all the questions of the shareholders, who has raised to us. I hope I clarified your queries. Thank you.

Moderator: Moving onto our next speaker

Mr. Chopra- I am associated with the Company for more than three decades and I am very much proud of the management that they are investor friendly. Whenever, there is a chance, they offer either rights or they offer any bonus. So that means that the concern for the investors is very much in your mind. I am proud of our Chairman Sir and the team around him. They are all professional people, leaders of the auto industry. The last year’s performance, though I know that it is not as per our expectation, but because that was under the circumstances which were beyond control and turbulent to global economy having an impact worldwide, even our economy was not an exception to that. There was disruption in supply chain, high cost of crude oil, input cost for other products, liquidity crunch and high rate of interest that time. And in spite of all, our Company did quite a satisfactory performance. I am very much proud of the management because they are visionary. Though the Company has not declared a dividend, that is no problem because the Company has been rewarding our shareholders in one way or the other, by rights or by bonus and we can expect some buy-back also in future when the time comes. But Sir, I just tell you that coming time is definitely very bright because auto industry is going to be the star of the year 2023-2024, that is going to be the star industry. You can see the Maruti crossing Rs. 10,000 you can see the Tata motor touching Rs. 700.

Surinder Paul Kanwar- Mr Chopra, you are disconnected.

Moderator- There seems to be some technical difficulty. Now, we move onto our last speaker for the event, Mr Rama Jain.

Rama Jain- Good afternoon, Chairman Sir, Board of Directors and the shareholders present in the meeting. Sir, I don't have any queries left as all the queries have been covered in your speech as well as the questions raised by my fellow shareholders. And also, our Company is in a very good financial position. So I would like to congratulate. It is because of the hard work of our team that we have achieved good results. Sir, I just want to know what are the steps taken by the management to safeguard the interest of the shareholders? And at last, I would like to thank our Company Secretary and the Secretarial team for allowing me to interact with the management and also for sending me the copy of Annual Report at one request. And I hope Company and the management will continue to hold the AGM through VC in future also which enables the shareholders like me to join from faraway places. Thank you, Sir and all the best, for your future.

Moderator- Thank you, Ma'am, that is all from the speaker shareholder session. Now I hand over the proceedings back to Chairman Sir. Over to you, Sir.

Surinder Paul Kanwar- So, as of now, we have no further query to reply. Members are informed that the electronic voting option will remain open for next 15 minutes. Members who have not exercised their votemay click the voting button and cast their vote which is appearing on the right-hand side of VC meeting screen and vote. The result of the resolution passed at the AGM shall be declared within the prescribed time limit upon receiving the consolidated report of remote e-voting and the e-voting during the meeting by the scrutinizer. Myself and Mr. Prashant Khattry, Corporate Head (Legal) and Company Secretary are authorized to announce the results. Thank you.

Prashant Khattry- Thank you Chairman Sir and the Board of Directors who have graced us with their presence for the AGM. We express our gratitude to all the shareholders, stakeholders, bankers, auditors for their continuous support. With this, we come to the end of the Annual General Meeting.