



EXTRA ORDINARY GENERAL MEETING

22nd January, 2025

at 3.30 p.m.

By Video conferencing (VC)

Conduct at the Extra Ordinary General Meeting

Jaydev Mody:

Hi good afternoon to all the members and the Board of Directors.

I am Jaydev Mody, Chairman of your Company welcome you all to the Extra Ordinary General Meeting of your Company. I am attending this meeting from Mumbai. From our office in Mumbai.

This meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI from time to time.

I have been informed that the requisite quorum is present and so I call the meeting to be in order.

I request the directors present to introduce themselves by saying their name and place from where they are attending the meeting. I will start with Dr. Ram Shroff.

Dr. Ram Shroff : Hello everyone Ram Shroff attending from our office in Mumbai.

Jaydev Mody :

Kaarshan

Kaarshan Awatramani :

Good afternoon, everyone Kaarshan attending from Bombay.

Jaydev Mody :

Jehangir Aibara, not there.

Dilip Vaidya :

Not there

Jaydev Mody :

Aurobind

Aurobind Patel :

Aurobind Patel attending from Mumbai.

Jaydev Mody :

Darius

Dr. Ram Shroff :

He is there but his network.

Jaydev Mody :

Darius Khambatta please you are on mute.

Darius Khambatta :

Darius Khambatta attending from Mumbai.

Jaydev Mody :

Anjali Mody not there ok. So, I think we have a quorum. "Mr. Jehangir Aibara and Ms. Anjali Mody could not attend the meeting due to personal reason".

Anjali Mody :

I am here

Jaydev Mody :

Oh, you are here, please introduce yourself.

Anjali Mody :

I apologize being late, I was unable to join due to internet issues. My name is Anjali Mody.

Jaydev Mody :

So, Anjali Mody is there only director who is not present is Jehangir Aibara. Apart from Directors, Key Managerial Personnel of the Company Mr. Abhilash Sunny, Chief Financial Officer and CEO is attending this meeting from our office. Ms. Madhuri Deokar, Company Secretary and Compliance Officer is on a leave and could not attend this meeting, Mr. Dilip Vaidya, Group Company Secretary is attending this meeting again from the office he is on this video conference.

Jaydev Mody :

Mr. Mayur Shah from M/s M H S & Associates, Statutory Auditors of the Company and Mr. Ashish Kumar Jain of M/s. A. K. Jain & Co., Secretarial Auditor of the Company are present in this Meeting through video conferencing.

The Company has received authorization under Section 113 of the Companies Act, 2013, from Five Companies and One LLP, consisting of 71.16% of the total Equity Capital of the Company.

Since there is no physical attendance of members in this meeting requirement of appointment of proxy is not applicable.

The Notice convening the Extra Ordinary General Meeting has already been circulated to the members of the Company by way of email on 20th December, 2024 to their registered email address as per the circulars issued by Ministry of Corporate Affairs & SEBI.

Since the Notice of the Extra Ordinary General Meeting is circulated to the members, I shall take the same as read.

The Company has provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting, will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL.

The Company has appointed, Mr. Ashish Jain of M/s. A. K. Jain & Co., Company Secretary in Practice, as Scrutinizer to scrutinize voting process conducted through remote e-voting in a fair and transparent manner. The Scrutinizer shall submit his report to me or to the Managing Director.

The resolutions mentioned in the notice convening this EGM have already been put to vote through remote e-voting hence there will be no proposing and seconding of resolutions.

Now, I will invite Speakers who have registered for this EGM to ask questions. I request all of them to take minimum possible time to enable us to accommodate other speakers. I will start with Ms. Krisha Shah (Host) to announce the names one by one and unmute them. First speaker Mrs. Lekha Shah.

Ms. Krisha Shah :

Sir, Mrs. Lekha Shah has not yet joined the meeting so can we proceed to the next speaker.

Jaydev Mody :

Yes, Mr. Satish Shah.

Ms. Krisha Shah :

Even Mr. Satish Shah has not yet joined the meeting so can we proceed to the next speaker.

Jaydev Mody :

Third speaker Mr. Keshav Garg.

Ms. Krisha Shah :

Mr. Keshav Garg you will now be promoted to the panel list please click ok to continue. Mr. Keshav Garg you have now been place in the meeting please unmute yourself start your video and ask your questions.

Mr. Keshav Garg :

Hello, thank you for the opportunity, Sir I have list of questions unless asked them in the benefit of other shareholders.

Sir,

What is the outlook for H2FY25 & FY26 in terms of topline & bottom line?

Why are we making losses in both the magnet & textile divisions since FY20?

What steady state EBITDA margin can we expect going forward?

What kind of margin improvement can you expected from both our divisions ?

Sir, when I look at our competitors Arex Industries and Cosmos ferrites they are making margins. so Arex is making margins of OPM 17-20% in the textile division & Permanent magnet /Cosmo are making 15-20%, so can we expect that to follow through our company or is it very farfetched expectations from our company?

What would be the market size of hard & soft ferrite in India? How much of requirement imported & from where?

Who would be our major customers & competitors?

What is our current capacity & utilisation levels across textile, soft & hard ferrite capacities?

What would be the maximum revenue that we can generate at peak capacity utilisation & running at 2-3 shifts?

What are our capex plans over the next 2-3 years?

At what valuation are we selling 50% in MMG Ferrites to Premo S.L?

What kind of products do we plan to manufacture with tech knowhow of Premo S.L because it seems they are well integrated ferrites as well as other products ?

So if you could just highlight us what you are going to do with this JV?

With implementation of anti dumping on soft ferrite cores ~ what is steady state EBITDA margin can we expect going forward?

What is import duty on hard ferrite in India?

Do we consider ~ Arex Industries in the label segment and Permanent Magnet & Cosmo ferrite in magnet segment as our competitors? Similarly the competitors I mentioned Arex Industries and Permanent Magnet & Cosmo do we consider them as our competitor or we are in different product and what they are ?

How do we plan to become debt free by FY27? Are there any assets in our books that can be monetised or liquidate ?

As of FY-24 end why have contingent liabilities increased by 2.4cr related to income tax demand

& 1cr related to GST? Why has been this the case.

What is our raw material sourcing arrangements?

What is our pricing arrangement with our customers? Do we have price pass through agreements or fixed price contracts?

What is the expected IRR/payback we aim for, before embarking on any capex or additional investment?

Sir, in your judgement where do we see our business growing in over 3-5 years in terms of bottom-line.

And thank you so much and it would be very helpful if you could answer these questions

Jaydev Mody :

Thank you very much Mr. Garg for all your questions I think to go through you are actually asking us to explain our entire business you know from top to bottom there are lots of questions. I don't know if it makes more sense for us to send you email reply because there are several questions some of them will have to you know be structured and drafted according to what you are asking for. Alternatively, you are welcome to come to our office and spend some time with the Mr. Abhilash Sunny who can actually take you through all the issues that you have raised. Is that workable for you either of them we write back to you by email or we arrange a meeting for you with Mr. Sunny. Mr. Garg

Dilip Vaidya :

He is logged off.

Jaydev Mody :

Mr. Keshav Garg please.

Mr. Keshav Garg :

Yes sir, I was unmuted I am so sorry.

Jaydev Mody :

We can't hear you.

Mr. Keshav Garg:

I was not a panelist early, Sir it would be very helpful if you could answer these questions over the mail and right now provide a brief outlook where we share the business over the next 3 to 5 with this JV and just a broad overview and the detailed questions I would expect over the mail and that would be very helpful.

Jaydev Mody :

Ok so broadly we will explain to you but we will also answer you by email after which please confirm that you have received the email. I will ask between Dr. Shroff and Mr. Sunny to give you a very broad helicopter view of the business.

Dr. Ram Shroff :

Ya hi Mr. Garg I will take a couple of them and maybe 1 or 2 Abhilash can take and the rest we will send it through email. Now one of the basic reasons for this proposed JV is because of the you know tremendous value at the Premo sprain we will be bringing to the company and JV because they are one of the leading companies globally for you know pillars entries and sensors, and in terms of also the share price realizations on a per kilo basis of soft ferrite goes up multi fold compared to what we are getting from our current customers that is point one. Second is even if you look at overall outlook in the soft ferrite division where we have done approximately 19, we will end it up at 19 crores as a topline. The projected topline for the next year will be not only 19 but in addition to the business which we get from Premo which will be in the range of another about close to 20-24 cr. everything going well so we are looking at the total close to about 43crs thereabouts. Coming to the margin prospective today the EBITDA margin in terms of MMG soft ferrites is very low barely 3 – 4 percent or thereabouts and here this will go substantially into double digit number. Now coming to the huge differentiation of you know Cosmo and all is one of the main reasons that they make their own powder so I think this is the overall summary of one is telling you that the detailed as we mentioned we will email it to you in a day or two. So therefore, it makes an ample sense and therefore the proposal.

Mr. Keshav Garg :

So, thank you so much sir I appreciate

Jaydev Mody :

Thank you Mr. Garg

Dr. Ram Shroff :

We will send you everything ya.

Jaydev Mody :

Speaker no. 4 Prakashini Shenoy is she here.

Ms. Krisha Shah :

Yes, Ms. Prakashini you will now be promoted to panelist please click ok to continue. Ms. Prakashini you have now been placed in the meeting please unmute your self start your video and ask your

questions. Ms. Prakashini.

Dr. Ram Shroff :

We will move to someone else if she is not there.

Jaydev Mody :

There is no one else. I don't think she is connected.

Ms. Krisha Shah :

Yes she has not joined the meeting sir, she is unable to connect.

Jaydev Mody :

Then I shall move on with the meeting.

Ms. Prakashini Shenoy :

Am I audible sir am I audible

Jaydev Mody :

Yes yes

Ms. Prakashini Shenoy :

Sir I am Prakashini Shenoy from Bombay. Respected honorable Chairman other dignitaries on the board and my fellow shareholders good afternoon to all of you. I received the EGM report well in time with self-explanatory the chairman has given good picture regarding the company and today's EGM. Sir I just have one question. What is the future plan of our company? I wish the company good luck for the bright future and pray God that the profit of the company shall reach the peak in due course. Chairman Sir, last but not the least my personal request to you that please continue with VC so people all over will have opportunity to express their views. Sir I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman Sir.

Jaydev Mody :

Thank you Ms. Shenoy. I think the question you have asked have already been answered previously by Dr. Shroff regarding the business and the snap shot of the way forward in the future and etc... So, I trust that you must have heard that.

Ms. Prakashini Shenoy :

Yes Sir

Jaydev Mody :

Thank you very much and thank you for supporting the resolutions. I will move on now.

Delta Manufacturing Limited

The results of remote e-voting shall be announced on or before Thursday, 23rd January, 2025 by intimation to the Stock Exchanges and will be placed on the website of the Company and also on the website of NSDL.

I thank all the Board Members, Employees and Business Partners for their contribution and unwavering support.

Further, I thank the Shareholders and our customer's wholeheartedly for their continued support and look forward for the same in future, as well.

The e-voting will continue for the next 15 minutes post which the meeting will be deemed as concluded. Thank you very much. **Thank you.**
