

SHRIRAM PISTONS & RINGS LIMITED: NEW DELHI

RECORDED TRANSCRIPT OF 57TH ANNUAL GENERAL MEETING

DATE	DAY	TIME	PLACE
06.07.2021	Tuesday	4:00 PM (IST)	Thru VC

MR. PRADEEP DINODIA, CHAIRMAN: -

Good afternoon Ladies & Gentlemen – A very warm welcome to the 57th Annual General Meeting of the Company. We hope you and your family members are safe and healthy. We also wish the best of health for you and your family members in the future.

We are holding this AGM in the midst of COVID 19 pandemic. In view of this, pursuant to Circulars issued by the Ministry of Corporate Affairs and SEBI, we are again compelled not to have a face to face meeting this year also and hence, are having it through Video Conference.

I do hope that this situation will get normalize soon and we will be able to have a face to face meeting next year; as it is always a pleasure to interact with all of you personally.

MR. PRADEEP DINODIA, CHAIRMAN: -

I am told by the Alternate Company Secretary that the quorum is complete. We have more than 35 members holding more than 85% voting power, who have logged in this AGM. Now I call the meeting to order.

All shareholders will be placed on mute mode to avoid any background noise.

Once the Question & Answer session starts, we would announce the name of the registered Speakers one by one and the Host will unmute the respective Speaker accordingly.

Speakers are requested to switch on video/audio before speaking. Speakers are also requested to minimize background noise.

In case there is connectivity issue at the Speakers' end, we will request the next Speaker to ask the question or make his comments. Opportunity will be provided to the earlier Speaker after all other registered Speakers have asked their questions.

Speakers are requested to keep their questions concise to help in managing time.

I would like to place on record that all efforts feasible under the current circumstances have been made by the Company to enable the Members to participate and vote on the items being considered in this meeting.

All resolutions have already been put to vote through Remote e-Voting. Therefore, no resolution is required to be proposed or seconded by the Members at the AGM.

Now, I move on to the business of the day and introduce the Board Members.

Shri Inderdeep Singh is the longest standing Independent Director of our Company. He has been the Chairman of Audit Committee. He has been on the Board of the Company since 2008. He is also the Managing Director of Continental Device India Pvt. Ltd. He is a great asset to the Company and his advice is always welcomed.

Shri Alok Ranjan is an Independent Director of your Company and is Chairman of the Nomination and Remuneration Committee. He has 38 years of distinguished service as an IAS Officer in various State/Central Government Departments. He has also served as the Chief Secretary of Uttar Pradesh. Welcome Alok. Can you please also acknowledge your presence?

Next I would like to introduce Ms. Ferida Chopra. She is an Independent Director of your Company and is Chairperson of the Stakeholders' Relationship Committee. She is a practicing Legal Counsel at the Supreme Court of India, the High Court of Delhi, the Competition Commission of India and various other Tribunals. She gives us sane and mature advice all the time and we welcome her on the Board.

Shri Hari S. Bhartia is not joining us today because of his pre occupations. He is an Independent Director of your Company and has been on the Board of the Company since 2009. He is one of the leading industrialists of this Country. He has been also Chairman of CII, the Co- Chairman and Managing Director of Jubilant Pharmova Ltd. and has over 36 years of experience in the pharmaceuticals, specialty chemicals, biotechnology, foods, oil and gas (exploration and production), aerospace and information technology sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. We will miss him in the AGM and I hope he will join the next meeting.

Then I would like to welcome Mr. Shinichi Unno. He is an Independent Director of your Company. He is the Executive Officer and General Manager at Fuji

Oozx, Japan. He is having over 31 years of experience in manufacturing and general management.

Ms. Meenakshi Dass is a Non- Executive Director of your Company and is a Director since 2009. She has a vast experience in managing corporate affairs.

Then I would like to welcome Mr. Sascha Putz. He is a Non-Executive Director of the Company. He is the President of KS Kolbenschmidt GmbH, Germany and has long and varied experience and considerable exposure to international operations.

Then my great friends from Riken Corporation, Japan. They have been our longest standing collaborators. May I first introduce Ito San who is Alternate Director to Tanemura San. Ito san is Chairman & CEO of Riken Corporation, Japan. He is having long and varied experience in banking and general management. He is a great friend of India and a great friend of Shriram and his support has been invaluable to us.

Then I would like to introduce Tanemura San. He is a Non-Executive Director of your Company. He is the Senior Counselor of Riken Corporation, Japan, and has more than 39 years of experience in Automobile Industry.

Then last but not the least, Shri Luv Shriram. He is Whole Time Director of your Company and is Director since 2009. His support and work in the Company has been very important to it. Most of company's success is also due to active participation of Shriram family in affairs of the Company. He has vast experience in managing Company's affairs.

In addition to above Directors, I have with me in the Board room Mr. A. K. Taneja. He has been re-designated as the Managing Director and Chief Mentor of your Company from April 1, 2021. He has spent his entire span of professional career of over 49 years in various management functions in Shriram Group and more importantly, in Shriram Pistons. What we are toady, is more due to efforts by Mr. Taneja.

Then I would also like to introduce Shri K.K. Srinivasan. He joined as Managing Director in February' 20 and has assumed the office of MD & CEO w.e.f. April 1, 2021.

He has over 35 years of experience in Automotive Industry and has a rich background of working in professional and multinational companies. He has wide experience of managing companies in India and abroad. The turnaround that you see in this tough time is due to his efforts and the team that he leads.

All Directors, when introduced by the Chairman, acknowledged their presence and greeted/welcome the shareholders.

I have Mr. Prem Rathi on my extreme left. He joined the Company as CFO from January, 2021. He has vast experience in handling the finance, accounts and commercial functions. He has actually taken Shriram Pistons like fish to water and I have no doubt that the finance and accounts of the Company are in safe hands.

Mr. R. Srinivasan, who held the position of Joint Managing Director & Company Secretary, superannuated from the Company w.e.f. 31.1.2021. Shri Naveen Agarwal is the Alternate Company Secretary. He has been with the Company since 1996 and his experience in handling various corporate affairs is invaluable.

I also thank my friends from Japan, who have joined us at this late hour in Japan. Thank you very much for making it and also to Mr. Sascha Putz, who has joined us from Germany. Thank you Gentlemen for joining us.

All Key Managerial Personnel are present in the meeting.

Mr. Jitendra Agarwal, Partner Deloitte - Statutory Auditors, is present. Ms. Richa Sharma - Secretarial Auditor is present. Mr. Deepak Juneja - Scrutinizer is also present and they all have joined the meeting from their respective locations.

We have received 7 letters along-with Board Resolutions, appointing representatives for voting/attending this AGM, from our Corporate Shareholders aggregating to 83.2% of the paid up Equity Share Capital of the Company.

Now, we get on the business of the day.

Ladies and Gentlemen, I hope you have received and read the Notice of AGM, though I would like to say that it is taken as read, but I would just like to mention that there are 7 ordinary resolutions and 1 special resolution, which have already been put to vote.

First one is for Adoption of annual financial statements – Standalone and Consolidated and the report of Directors and Auditors thereon.

Second resolution is to declare dividend on Equity Shares.

Third one is to appoint a Director in place of Ms. Meenakshi Dass, who retires by rotation and being eligible, offers herself for re-appointment.

At this point Shri A. K. Taneja read out the fourth resolution:

Shri A. K. Taneja: The fourth resolution is to appoint a Director in place of Shri Pradeep Dinodia, who retires by rotation and being eligible, offers himself for re-appointment.

Thereafter Shri Pradeep Dinodia continued the proceedings

Shri Pradeep Dinodia: The fifth resolution is to fix remuneration of M/s Chandra Wadhwa & Co., Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company for the financial year ending March 31, 2022 be paid remuneration of Rs. 290 Thousand plus applicable taxes.

The sixth resolution is for appointment of Mr. Sascha Putz as Non-Executive Director of the Company.

The seventh resolution is to appoint Shri Shinichi Unno as Independent Director of the Company.

The eighth resolution is a special resolution under the applicable provisions of Section 197 and 198 of the Companies Act, 2013 that consent of the Members of the Company be and is hereby accorded for payment of a sum not exceeding 1% of annual profits of the Company before depreciation, donation and taxes to some or any of the Directors of the Company, other than the Executive Directors for whole or proportionately for a part of each of its financial years from 1st April 2021 to 31st March 2025".

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded that out of the above 1% profit Commission, 0.6% of the profit commission be paid to the Chairman and upto 0.4% of the profit commission be paid to all other Non-Executive Directors of the Company for Financial Year 2021-22, in such manner as may be determined by the Board.

These resolutions have already been put to vote. Any Shareholder who has not voted, can vote upto 30 minutes from the end of this meeting.

CHAIRMAN'S SPEECH

Ladies & Gentlemen – As you all know, year 2020-21 has been a very tough year with the pandemic raging all over the world. During the year, all vehicle segments, except Tractor segment, registered de-growth over 2019-20, further aggravating the slowdown in the economy. There was certainly a market recovery in Q3 and Q4. Moreover, the Exports market has also been adversely impacted in 2020-21.

In spite of COVID 19, the Company has been able to meet the challenges and registered almost same turnover as of last year i.e. Rs. 16 Billion. We have also been able to grow the Gross Profit before depreciation and taxes to Rs. 2,225 Million, as compared to Rs. 1,895 Million last year, which is an increase of 17%. So, we kept the top line same but the bottom line has improved.

This was possible with focused approach in meeting customer requirements and implementation of cost optimization measures such as improvement in manpower productivity, energy conservation, lower administrative cost and effective utilization of resources. Further, there was focus on improving cash flow by optimizing inventory and bills receivables.

Exports: Exports remain an important cornerstone in Company's strategy for sustainable growth and to pro-actively acquire deeper understanding of the technology, quality and service expectations of global OEMs operating in advanced automobile markets.

During 2020-21, Company's exports increased from Rs. 2.7 Billion to Rs. 2.8 Billion despite uncertainties in markets due to COVID-19. The Company increased its market share, especially in the exports After Market segment.

The Exports are expected to increase in this year, as India is emerging as export hub to Automobile sector. However, global situation of COVID-19 pandemic will be a critical factor for sales in exports market.

We remain optimistic about the long term growth prospects as well as near term growth prospects. The pandemic has a great effect on us. Not only in our workforce, people who come to work, but also the markets and the customers.

Even in this tough year, your Company has already paid interim dividend of Rs. 6.00 per equity share, same as last year. Looking at the tough business conditions and uncertainties ahead, the Board has recommended that the same be treated as the final dividend for the year.

As we are all aware, COVID-19 has caused widespread disruption in the Indian Economy and globally.

The Company is successfully navigating through these continuing unprecedented times to maintain business continuity, and is taking the required steps such as-

- Guiding all employees to follow COVID 19 protocols
- Assisting all employees for vaccination. I am happy to report that we have vaccinated more than 82% of our entire workforce, at all locations. 8% of our workforce has also received the second dose. We are continuing to strive for 100% vaccination of all our personnel as soon as possible. Before the expected third wave, we also would like to have majority of people vaccinated with the second dose. But because of the gap stipulated by the Government, we are unable to do second dose at the same pace, as we have helped people for the first dose. As soon as the Government permits, we will have second dose also available to most of our people.

- Continuing the 'Work from Home' policy to the maximum extent feasible. But I am happy to report that at all our locations, most of the people are back to work and all COVID protocols are being followed.

Company's policy is to conduct its business responsibly and improve the quality of life of people, including in the society close to our areas of operation, while creating long term value for all stakeholders.

During the last year, Company has undertaken various **CSR activities** in the areas of Education, Healthcare, Sanitation, Environment Preservation and Rural Development, giving priority to Projects aimed at persons from disadvantaged background or persons who are differently abled.

We are also continuing to work closely with the local administration and local community to help the needy in the COVID-19 Pandemic by providing food, masks, sanitizers etc.

As the Auditors' report is not qualified or modified, there is no need to read the Auditors' Report. We now, therefore, proceed further.

The Proposed Resolutions are already with you. I now invite the Shareholders, who have registered themselves as speaker, to speak or ask questions.

After all speakers have expressed their views, I will answer all the questions received in advance and thereafter questions received at the AGM.

I now request the host to announce the name of speaker one by one and request them to switch on their video and unmute themselves and speak after a gap of 2 seconds.

Thank you very much.

Mr. Yashpal Chopra, Ms. Santosh Bhutani, Mr. Lokesh Gupta, Mr. Vijay Kumar Mahajan, Mr. Suresh Bhutani and Ms. Rama Jain, Shareholders, spoke at the Meeting. They expressed their views and sought clarifications on, inter alia, Company's business operations and its future growth plans covering:

- Steps taken by the Company for reducing its costs
- Growth prospects of the Company in this FY and challenges and opportunities in the year ahead
- Market Share of Company in Domestic Market and Exports and expansion plans of the Company
- Important accomplishments of the Company in 2020-21
- Net Debt position of the Company
- Company's contribution for its stakeholders in the Covid-19 Pandemic, and its impact on Company's operations

- Areas in which company is contributing to the Society and what are the major projects

The Chairman thanked each and every shareholder on behalf of the Board, for their interaction and comments. Shri Pradeep Dinodia (Chairman), Shri K.K. Srinivasan (Managing Director & CEO) and Shri A.K. Taneja (Managing Director & Chief Mentor) replied to the various queries of the Shareholders.

The Chairman thereafter announced that all the businesses set out in the Notice of this meeting have been concluded and the members who had not voted through remote e-voting may vote electronically at the Meeting and time period of 30 minutes would be available for voting after which the Meeting will stand closed.

He also informed that the results of voting will be declared within 2 working days from the conclusion of this AGM and will be uploaded on the Company's website.

The Meeting concluded at 5:31 PM (IST)
