



EXTRACTS FROM MINUTES OF MEETING OF BOARD OF DIRECTORS HELD ON 30.7.2021

Agenda Item 'F 1' pertaining to **"Buy Back of Company's Shares"** was considered.

IT WAS RESOLVED THAT in accordance with Article 3 of the Articles of Association of the Shriram Pistons & Rings Limited ("**Company**") and pursuant to provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), rules framed under Companies Act, including the Companies (Share Capital and Debentures) Rules, 2014 as amended, the Companies (Management and Administration) Rules, 2014, as amended, to the extent applicable, the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "**Buyback Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"), and including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India ("**SEBI**"), Registrar of Companies, Delhi & Haryana (the "**ROC**"), National Stock Exchange of India Limited ("**NSE**") and/ or other authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the board of directors of the Company ("**Board**"), the Board hereby approves the buyback of not exceeding 3,50,000 (Three Lac Fifty Thousand) fully paid-up equity shares of the Company, each having a face value of INR 10/- ("**Equity Shares**"), representing up to 1.56% of the total number of Equity Shares in the paid-up share capital of the Company, at a price of INR 1020/- (Rupees One Thousand Twenty only) per Equity Share ("**Buyback Price**") payable in cash for an aggregate amount not exceeding INR 35,70,00,000/- (Rupees Thirty Five Crore Seventy Lac only) ("**Buyback Size**"), being 3.25% and 3.25% of the aggregate of the total paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2021, respectively (which is within the statutory limits of 10% of the aggregate of the total paid-up equity share capital and free reserves of the Company, based on both standalone and consolidated financial statements of the Company, under the Board approval route as per the provisions of the Companies Act and Buyback Regulations), on a proportionate basis through the "**tender offer**" route as prescribed under the Buyback Regulations, from all the equity shareholders/ beneficial owners of the Company, including the members of the promoter and promoter group of the Company (collectively,

“**Promoter Group**”), who hold Equity Shares as of the record date (the “**Record Date**” and such buyback the “**Buyback**”) and that the Buyback Size does not include transaction costs viz. brokerage costs, fees, turnover charges, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc., expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/ legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.

RESOLVED FURTHER THAT August 12, 2021 shall be the Record Date for the purposes of determining the entitlement and names of the equity shareholders who would be eligible to participate in the Buyback.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting” notified by the SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments or statutory modifications for the time being in force (“**SEBI Circulars**”), and the Company shall approach NSE for facilitating the same which shall act as the designated stock exchange.

RESOLVED FURTHER THAT the Company shall implement the Buyback out of its free reserves and/ or such other sources as may be permitted by law, and the Buyback shall be through tender offer in such manner as may be prescribed under the Companies Act and the Buyback Regulations, and on such terms and conditions as the Board may deem fit.

RESOLVED FURTHER THAT in terms of Section 69 of the Companies Act, the Company shall transfer from its free reserves and/ or such other sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares bought back through the Buyback, to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

RESOLVED FURTHER THAT all equity shareholders/ beneficial owners of the Equity Shares, including the members of the Promoter Group, who hold Equity Shares as on the Record Date (“**Eligible Shareholders**”), will be eligible to participate in the Buyback except any shareholders who may be specifically prohibited under the applicable laws by appropriate authorities.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the Eligible Shareholders, on a proportionate basis under the tender offer, provided 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders at the Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback from the Eligible Shareholders who are residents outside India including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors/foreign portfolio investors, shall be subject to such approvals, if any and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

RESOLVED FURTHER THAT the Company shall not use borrowed funds, whether secured or unsecured, of any form and nature, from banks and financial institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buyback.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT in terms of the Buyback Regulations, in the event of non-fulfilment of the obligations under the Buyback Regulations by the Company, the monies deposited in the escrow account in full or in part shall be forfeited and distributed pro rata amongst the shareholders who accepted the offer and balance if any shall be utilized for investor protection in accordance with Buyback Regulations.

RESOLVED FURTHER THAT in terms of Regulation 24(iii) of the Buyback Regulations, Mr. Naveen Agarwal, Alternate Company Secretary of the Company, be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT the Company shall maintain a register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying of Equity Shares and such other particulars as may be prescribed, shall be entered and that Mr. Krishnakumar Srinivasan, Managing Director & CEO and Mr. Naveen Agarwal, Alternate Company Secretary be and are hereby severally authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT the Board hereby takes on record the draft report dated 30.7.2021 issued by DELOITTE HASKINS & SELLS, Chartered Accountants, the statutory auditors of the Company, as required under clause (xi) of Schedule I of the Buyback Regulations.

RESOLVED FURTHER THAT as required by Clause (x) of Schedule I of the Buyback Regulations, the Board hereby confirms that it has made full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company, the Board has formed an opinion, that:

- a) immediately following the date of this Board meeting dated July 30, 2021 ("**Board Meeting**"), there will be no grounds on which the Company can be found unable to pay its debts;
- b) as regards the Company's prospects for the year immediately following the date of Board Meeting , and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and
- c) in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, or the Insolvency and Bankruptcy Code, 2016, as applicable.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) all the Equity Shares of the Company are fully paid-up;

- b) the Company shall not issue and allot any Equity Shares or other specified securities (including by way of bonus) from the date of the Board Meeting till the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- c) unless otherwise specifically permitted by any relaxation issued by SEBI and/ or any other regulatory authority, the Company shall not raise further capital for a period of one year, as prescribed under the provisions of Regulation 24(i)(f) of the Buyback Regulations, from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of its subsisting obligations;
- d) the Company, as per the provisions of Section 68(8) of the Companies Act, will not make a further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of six months except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- e) the Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or public announcement of the offer to Buyback is made;
- f) the Company will ensure consequent reduction of its share capital post Buyback and the Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Companies Act within the specified timelines;
- g) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- h) the consideration for the Buyback shall be paid by the Company only in cash;
- i) the Company shall not buyback its Equity Shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of Buyback;

- j) there are no defaults subsisting in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon);
- k) the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- l) the aggregate amount of the Buyback i.e. up to INR 35,70,00,000/- (Rupees Thirty Five Crore Seventy Lac only) does not exceed 10% of the aggregate of the total paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2021;
- m) the maximum number of Equity Shares proposed to be purchased under the Buyback up to 3,50,000 (Three Lac Fifty Thousand) Equity Shares, does not exceed 25% of the total number of Equity Shares in the paid-up equity share capital of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2021;
- n) the maximum amount of Buyback i.e. INR 35,70,00,000/- (Rupees Thirty Five Crore Seventy Lac only), does not exceed 10% of the aggregate of the total paid-up equity share capital and free reserves of the Company, based on both standalone and consolidated financial statements of the Company, as of March 31, 2021;
- o) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting;
- p) the Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- q) the Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the Buyback Regulations and any other applicable laws;
- r) the Buyback shall be completed within a period of one year from the date of passing of the Board resolution approving the Buyback;

- s) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- t) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid-up capital and free reserves after the Buyback, based on standalone and consolidated financial statements of the Company, as prescribed under the Companies Act and rules made thereunder and Buyback Regulations;
- u) the Company is not buying back its Equity Shares so as to delist its shares;
- v) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, or through any investment company or group of investment companies;
- w) as per Regulation 24(i)(e) of the Buyback Regulations, the members of the Promoter Group, and their associates, shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the members of the Promoter Group) from the date of Board resolution approving the Buyback till the closing of the Buyback offer.

RESOLVED FURTHER THAT no information that is likely to have a bearing on the decision of investors has been suppressed or withheld and/or incorporated in the manner that would amount to a mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information has been suppressed or withheld and/ or amounts to a mis-statement or misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

RESOLVED FURTHER THAT in compliance with the Buyback Regulations, the approval of Board for appointment of Manager to the Buyback offer i.e., Edelweiss Financial Services Limited, having its registered office at Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, be and is hereby accorded.

RESOLVED FURTHER THAT Edelweiss Financial Services Limited be and is hereby authorized to operate the escrow account and instruct the escrow agent to make the payment of the amount lying to the credit of the escrow account in accordance with the Buyback Regulations and/or the directions of SEBI.

RESOLVED FURTHER THAT Edelweiss Securities Limited be and is hereby appointed as the broker for the Buyback to *inter alia* carry out the activities as Company's broker under the Buyback Regulations, on terms and conditions as may be mutually decided.

RESOLVED FURTHER THAT Alankit Assignments Limited, Registrar and Share Transfer Agent, be and is hereby appointed as the Registrar to the Buyback, on the terms and conditions as may be mutually decided, and is designated as the investors service centre, as required under Regulation 24(iii) of the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback is being proposed in keeping with the Company's desire to (a) optimize returns to shareholders; (b) enhance overall shareholders value; and (c) optimize the capital structure.

RESOLVED FURTHER THAT as required under the provision to Section 68(6) of the Companies Act and Regulation 8(i)(b) of the Buyback Regulations, the draft of the affidavit for declaration of solvency prepared in the prescribed form along with supporting documents, placed before the meeting be and is hereby approved, and that Mr. Krishnakumar Srinivasan, Managing Director & CEO, along with any one of Mr. A.K. Taneja, Managing Director & Chief Mentor and Mr. Luv D. Shriram, Whole Time Directors, be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Mr. Naveen Agarwal, Alternate Company Secretary, be and is hereby authorised to file the same with ROC and SEBI and or other concerned authorities, as may be necessary in accordance with applicable law.

RESOLVED FURTHER THAT the draft of the public announcement for the Buyback placed before the Board be and is hereby approved.

RESOLVED FURTHER THAT Mr. Krishnakumar Srinivasan, Managing Director & CEO, Mr. A.K. Taneja, Managing Director & Chief Mentor, Mr. Luv D. Shriram, Whole Time Director, Mr. Naveen Agarwal, Alternate Company Secretary, Mr. Prem Prakash Rathi, Chief Financial Officer and Mr. Praveer Yadav, General Manager, are jointly or severally authorized for the purposes of the Buyback, to do all such acts, deeds, matters and things, as it may, in their absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its shareholders in connection with the Buyback, without any further approval of the Board, including but not limited to:

- a) seeking all regulatory approvals required for the Company to implement the Buyback, as applicable;

- b) appointment of all intermediaries including but not limited to advertising agency, escrow bank, legal advisors, other advisors, depository participant, printers, consultants or representatives; if any, and settlement of terms of appointment including the remuneration for all such intermediaries/agencies/ persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- c) opening one or more bank accounts, including an escrow account and special account as required, and entering into agreements with and to give instructions to the bankers in connection therewith and/ or to delegate the operation of such accounts as required under applicable laws (including the Buyback Regulations);
- d) opening, operating and closing one or more depository account (demat escrow account) / trading account / buyer broker account and another account as may be necessary for the Buyback and to decide the authorized signatories for such accounts;
- e) entering into escrow arrangements as may be required by the Buyback Regulations and depositing and/or instructing the deposit of the requisite amount into escrow and finalising the composition/combination of such deposit into escrow in accordance with the provisions of the Buyback Regulations and the escrow agreement entered into with the escrow agent;
- f) finalizing the terms and timeline of the Buyback including the schedule of activities, entitlement ratio, opening date and closing date of the offer period and the timeframe for completing the Buyback and re-affirming declaration of solvency as and when required;
- g) dealing with NSE (including its clearing corporation) and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circulars;
- h) taking all actions to verify offers and acceptances received, finalize the basis of acceptance, pay the shareholders consideration for shares bought back, extinguishment of the Equity Shares bought back by the Company and filing of necessary documents in relation to the same;
- i) preparation, finalizing, signing and filing of public announcement, the draft letter of offer/ letter of offer, all certifications and undertaking and any other document required in relation to the Buyback;

- j) signing, executing and delivering such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback;
- k) uploading all required information such as details of the Equity Shares bought back on the website of the Company and filing the same with the stock exchanges as required under applicable law;
- l) affixing the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the articles of association of the Company;
- m) settling and resolving any queries raised by the SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary of the Buyback;
- n) authorising/ appointing persons to represent the Company, if required, before the ROC, SEBI, NSE, or any other authority in connection with the Buyback and to sign and submit all forms, letters, documents or other papers that may be required;
- o) creating and maintaining requisite statutory registers and records as required under the Companies Act and to furnish appropriate returns to the appropriate authorities;
- p) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- q) earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback;
- r) closing the Buyback and completing all the required formalities as specified under the Companies Act, Buyback Regulations and the Listing Regulations and other applicable laws;

- s) dating, making alterations to, additions to, deletions to, variations to, amendments or corrections to and issuing and filing with appropriate statutory/other authorities, the public announcement, draft letter of offer, letter of offer and all other documents, resolutions, advertisements, confirmations, intimations and declarations, and the certificate for extinguishment and physical destruction of shares certificates (if any), and other documents required in connection with the Buyback and causing the declaration of solvency and supporting affidavit to be executed in accordance with applicable law and such alterations, additions, omissions, variations, amendments or corrections will be deemed to have been approved by the Board;
- t) doing such other acts, deeds, matters, or things, and executing such documents, forms, letters, confirmations, and taking all steps as may be necessary to sign, submit and file all necessary forms, letters, applications, e-forms and other documents as they may in their absolute discretion, deem necessary, expedient, usual or proper or are necessary, expedient, usual or proper with regard to the implementation in connection with or in furtherance of the Buyback; and
- u) delegating all or any of the authorities/powers/responsibilities conferred on it to any officer(s)/ authorised representative(s) of the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Pradeep Dinodia, Chairman, and Mr. Krishnakumar Srinivasan, Managing Director & CEO, be and are hereby jointly authorized to accept and make any alteration(s), modification(s) to the terms and conditions as they may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer or any obligation on the Company or the Board to Buyback any Equity Shares, or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.

RESOLVED FURTHER THAT Mr. Krishnakumar Srinivasan, Managing Director & CEO, Mr. A.K. Taneja, Managing Director & Chief Mentor, Mr. Luv D. Shriram, Whole Time Director and Mr. Naveen Agarwal, Alternate Company Secretary, be and are hereby jointly or severally authorized to file necessary e-forms with the ROC and to do all such acts, deeds, acts and things that may be required or incidental to the above purpose.

RESOLVED FURTHER THAT any actions taken so far by the Directors/Officers of the Company in connection with the Buyback be and are hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT a copy of the foregoing resolution certified by the Alternate Company Secretary of the Company be forwarded to concerned persons/ authority as may be required."

The draft of above resolution was presented at the meeting, and was approved by the Board with some modifications.

For Shriram Pistons & Rings Ltd.
Certified True Copy

(Naveen Agarwal)
Alternate Company Secretary
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