

SHRIRAM PISTONS & RINGS LIMITED: NEW DELHI

RECORDED TRANSCRIPT OF 56TH ANNUAL GENERAL MEETING

DATE	DAY	TIME	PLACE
11.8.2020	Tuesday	5:00 PM	Thru VC

MR. PRADEEP DINODIA, CHAIRMAN: -

Good evening Ladies & Gentlemen – A very warm welcome to the 56th Annual General Meeting of the Company. We hope your family members and you are safe and healthy and wish the best of health for you and your family members in the future.

As you all know that we are holding this AGM in the midst of an unprecedented crisis on account of the COVID 19 pandemic. In view of this, pursuant to Circulars issued by the Ministry of Corporate Affairs and SEBI, we have been compelled to have this meeting through Video Conference for the first time and I hope it is for the last time and I hope COVID 19 is not there by the time we are there for the next meeting.

I do hope that we will be able to have a face to face meeting next year.

Mr. Srinivasan - is the quorum present ?

MR. R. SRINIVASAN, COMPANY SECRETARY: -

Yes Sir, the quorum is complete.

MR. PRADEEP DINODIA, CHAIRMAN: -

Company Secretary tells me that the quorum is complete. Now I call the meeting to order.

All shareholders may please be placed on mute by default for conducting the meeting in a smooth and orderly manner.

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. I would first like to introduce the Board Members.

Mr. Alok Ranjan is Independent Director of your Company and is Chairman of the Nomination and Remuneration Committee. He has 38 years of distinguished service as a senior IAS Officer in various State/Central Government Departments. He has also served as the Principal Chief Secretary of Uttar Pradesh. Welcome Mr. Alok Ranjan to this Board and to the AGM.

Mr. Inderdeep Singh is Independent Director of your Company and is Chairman of the 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.

Smt. Ferida Satarwala Chopra is 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 and she is a great asset to this Company.

Tone San is an Independent Director of your Company. He is Director (Audit & Supervisory Committee member) of Fuji Oozx, Japan. He is having over 34 years of experience in manufacturing and general management. Welcome Tone San.

Smt. 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 and gives invaluable support and advice to the Company whenever needed.

Ito San welcome to this AGM. Thank you very much. Ito san is the Chairman & CEO of Riken Corporation, Japan. Riken Corporation has been our Collaborator, friend and shareholder and I think this has been the longest standing relationship between a Japanese Company and Indian Company, that is what I am told. Thank you Ito San for the support that you give all the time. He is also having long and varied experience in banking and general administration.

Tanemura San is also an experienced manager and is a Director of the Company and his support has been invaluable for us. Tanemura san welcome.

Shri Luv Shriram is the Whole Time Director of the Company and is the soul and spirit of the Company. He has vast experience in managing company's affairs and runs a very important company on his own. Welcome Luv.

In addition, the following Directors are also present with me here at SPR Head Office: -

Mr. A.K. Taneja – on my left. He has been the Managing Director & CEO of your Company and has been one of the oldest employees of the Company. Actually what SPR is today, is mainly due to his effort and work. He has worked very hard, right from the beginning of the Company, since he joined the company in 1979. All these 40-41 years he is, actually what SPR is. SPR and Ashok Taneja are synonymous.

I may introduce Mr. K.K. Srinivasan – on my right. He is the Managing Director since February 2020. He will take the position of Managing Director & CEO w.e.f. 1st April 2021. When we looked for an able successor to this Company's management, we couldn't find anybody better than Mr. K.K. Srinivasan. We made a world-wide search and I think since he joined in February 2020 he has proved us right. All our conservative budget has been exceeded due to untiring efforts of Mr. K.K. Srinivasan. Welcome him on Board.

Mr. R. Srinivasan - the Joint Managing Director of your Company and probably today is the longest serving employee of Shriram Pistons. He joined the Company in 1973 and became the Company Secretary in 1983 and has been the Jt. Managing Director since 2009. Alongwith Mr. Taneja, they both have steered the Company through hot and cold waters and made what it is today. Apart from team of my colleagues in the Board, we have our Executive Directors. Welcome them all. They are all present today in this AGM.

I thank Tone San, Ito san and Tanemura San for joining this AGM even though it is very late hour in Japan. I know it is 8 .30 pm. Thank you very much three of you for joining. Thank you again.

Mr. Hari Bhartia & Dr. Peter Neu are unable to join the meeting due to their prior other engagements.

All Key Personnel are present.

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.

I hope you have received and read the Notice of AGM, which I take as read. And now I would like to address my message to all respected shareholders:-

CHAIRMAN'S SPEECH

Ladies & Gentlemen – This year has been a tough year and the brief overview of the financial performance of the Company for the year ending March 2020 is as follows: -

The vehicle segment registered a significant de-growth last year and this impacted Company's operations. In fact, the Indian GDP growth was lowest in 11 years since 2008-09 and the world GDP growth was also lowest in the last 10 years. So in 2019-20 there were serious economic repercussions around the world. This was due to general slow down of the economy not only of India but also the world. The biggest uncertainty in the mind of customers was the transition from BS IV to BS VI norms and implementation of new loading norms for Commercial Vehicles along with serious liquidity crunch. The COVID 19 pandemic also impacted Customer sentiments in the last quarter leading to sales getting affected.

Company's revenue during the year was Rs. 1,607 Crores against Rs. 1,955 Crores in the previous year. Gross Profit before depreciation and taxes for the year was Rs. 190 Crores compared to Rs. 304 Crores last year.

Notwithstanding the above, the Company not only maintained its Market Share and its Key Customers but in fact improved its share of business last year and year before.

Although the Sales and Profits are lower than previous year; however, considering the slowdown in the economy in 2019-20 and the current market situation, the performance of your Company is satisfactory.

The Company has won major BS-VI businesses across all Vehicle Segments in India, which will help in sustaining the growth in the years to come.

Exports remain an important cornerstone in Company's strategy for sustainable growth and pro-actively acquiring deeper understanding of technology, quality and service expectations of global OEMs operating in advanced automobile markets like Japan, Germany & USA, and as a result the Company

has acquired new export business from global OEMs with the active assistance and help of our collaborators, and exports are expected to grow as the COVID-19 situation normalizes across the Globe.

During the year, the Company took various measures for cost reduction to remain cost competitive and retain margins. These efforts are being further intensified in the current year with higher focus on reduction of fixed costs.

We remain optimistic about the long term growth prospects in the Indian Automotive Market and foresee good growth for Company's products in the future.

The Company has paid interim dividend of Rs. 6.00 per equity share and the Board has recommended that the same be treated as the final dividend for the year, looking at the tough business conditions ahead.

As we are all aware, COVID-19 has caused widespread disruption in the Indian Economy and globally. The Company is successfully navigating through these unprecedented times to maintain business continuity and is taking the following steps: -

- Safety of Plant/ Equipment and Stocks.
- Regular contact with all employees to know their wellbeing and advise them to follow safety protocols, provide them medical and other assistance, as required.
- On restart of operations, the Company has provided Safety Trainings across all levels of Personnel on new way of working and ensured social distancing norms, mandatory wearing of mask, thermal check of temperature at the gate, sanitization, installation of separators at work place, canteen etc.
- In addition, the Company is also working closely with the local administration and local community to help the needy in the current COVID-19 situation.

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 operations, while creating long term value for all stakeholders.

During this tough year also, Company has undertaken various CSR activities in 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.

Since the Auditors' report is not qualified, 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 make their comments or ask questions.

Mr. Yashpal Chopra, Mr. Deepak Kumar Kapoor, Mr. Lokesh Gupta, Mr. M.B. Bhutani and Mr. Chetan Chadha, Shareholders spoke at the Meeting. They expressed their views and sought clarifications inter alia Company's business operations and its future growth plans covering:

- How company is coping with competition
- Migration from BS IV to BS VI emission norms
- Measures taken by the company to conserve cash during ongoing COVID 19 pandemic
- Clarification on Interest accrued, but not due, reduction in Rent expenses
- How we are moving towards unlock, how demand is growing and how our local sales and exports are impacted in the current year.
- Whether the Company has adopted multi-facet approach like work from home, staggered duty hours etc.
- Roadmap for the year 2020-21 and 2021-22.
- Future strategy on challenges and impact of pandemic of COVID 19 including on Company's Exports.
- Reduction in Directors' and employee's remuneration as well as manpower

- Plan of the Company to reduce working capital and funds in any other forms

The Chairman thanked each and every shareholder on behalf of the Board, for their interaction and comments. Shri Pradeep Dinodia (Chairman), Shri A.K. Taneja (Managing Director & CEO), Shri K.K. Srinivasan (Managing Director) and Shri R. Srinivasan (Jt. Managing Director & Company Secretary) responded to the various queries of the shareholders.

The Chairman thereafter announced that all the businesses set out in the Notice of this meeting had 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.

The Meeting concluded at 6:30 p.m (IST)
