



SONA BLW PRECISION FORGINGS LIMITED
CIN: L27300HR1995PLC083037

Transcript of Proceedings at the 25th Annual General Meeting (AGM) held on
Thursday, 9th September, 2021 at 12:00 noon (IST) through VC/OAVM

Sunjay Kapur:

Good afternoon to all the members here. It gives me great pleasure to extend a warm welcome to all of you to the 25th Annual General Meeting of the company. I am Sunjay Kapur, the Chairman of Sona BLW Precision Forgings Limited. Following our IPO in June 2021, this will be the first AGM in which our public shareholders are participating. We look forward to a long and fruitful association.

Before we commence, I hope you all are safe and keeping well during these tough times. I trust all of you are vaccinated or planning to get vaccinated shortly to help fulfil our collective responsibility.

Let me introduce you to the members of the Board and senior management present with us today. We have today Mr. Vivek Vikram Singh, MD and Group CEO joining from Gurgaon. Mr. Amit Dixit, Non-Executive Nominee Director joining from Mumbai, Mr. Ganesh Mani, Non-Executive Nominee Director joining from Mumbai. Mr. B. V. R. Subbu, Independent Director and Chairman of the Audit Committee joining from Switzerland. Mr. Jeff Overly, Independent Director, Chairman of Nomination and Remuneration Committee, Risk Management Committee joining from the USA.

Ms. Shradha Suri, Independent Director and Chairperson of the Stakeholder Relationship Committee joining from Delhi, Mr. Rohit Nanda, Group CFO joining from Gurgaon, Mr. Kiran Deshmukh, Group CTO, joining from Delhi, and Mr. Vikram Verma, CEO Driveline Business joining from Gurgaon, Mr. Sat Mohan Gupta, CEO of the Motor Business joining from Chennai, Mr. Ajay Pratap Singh, Vice President of Legal, Company Secretary and Compliance Officer joining from Gurgaon, Mr. Arun Tandon, Walker Chandiok & Company, Statutory Auditors joining from Delhi and Mr. Ankit Singhi, Partner, PI & Associate Company Secretaries as Scrutinizer of this meeting joining from Delhi.

As the requisite quorum is complete for the meeting, I now call the meeting to order. I request Mr. Ajay Pratap Singh, Company Secretary to inform the members about the general instructions regarding participation in this meeting.

Ajay Pratap Singh:

Thank you, Mr. Kapur. Good afternoon. Just wanted to add Mr. Firodia, our Independent Director has also joined this meeting. Good afternoon to the Board members and the shareholders of the company. It gives me immense pleasure to welcome you all at the 25th Annual General Meeting of the company. This meeting is being held through the video conferencing format in accordance with the circulars issued by the Ministry of Corporate Affairs at the Securities and Exchange Board of India.

Our company has taken all the steps to ensure that the members are able to attend and vote at this meeting in a seamless manner. The company has availed the services of the National Securities Depository Services Limited for conducting the meeting through video conferencing for enabling participation of the members at AGM, remote e-Voting and e-Voting during the AGM.

While there are many benefits of meeting in-person, the virtual AGM is an opportunity to connect all the members from different locations in India and abroad. Since the meeting is being held virtually, the facility for appointment of proxies is not applicable. Hence, the company has not provided the proxy form to its members and does not need to maintain a proxy register.

Further, the register of members, register of directors, KMP, register of contracts and other relevant documents have been made available electronically for inspection by the members during the AGM.

For smooth conduct of the meeting, all the shareholders have been kept on mute mode by default to avoid any disturbance from the background noise. During the question-and-answer session, we will announce the name of each of the speaker shareholder who have registered themselves as speaker for this meeting.

Thereafter, the speaking facility for the respective member will be unmuted by the moderator. When the speaker name is called out, while speaking, we request the shareholders to use earphone so that they are clearly audible and it will also minimize any noise in the background.

We request the members to ensure that proper lighting is available for clarity of incoming videos. The members while asking questions or seeking clarifications are requested to turn on their video. In case any speaker shareholder is facing any technical difficulty with the video transmission, they can ask the question through audio mode. If still there is any connectivity or technical issue at the speaker's end, we would invite the next speaker.

The shareholders are requested to restrict their questions to matters being transacted at the meeting. In the interest of all the members and the smooth conduct of this meeting, I would request the speaker to keep their interaction brief and avoid repetitions. This will allow all the members to speak who have registered themselves. The shareholders other than the speaking shareholders can ask questions through chat box provided on the screen.

In case it is not possible to answer all the questions due to any reason, the respective member will be replied to separately. As per the provisions of the Companies Act 2013 and the SEBI listing regulations, your company has provided the remote e-Voting facility to the members through NSDL platform to cast their votes prior to this meeting. The cut-off date for the same was Thursday 2nd September 2021. The remote e-Voting had commenced on Monday 6th September 2021 at 9:00 a.m. India time, and ended yesterday at 5:00 p.m. India time.

The members as on the aforesaid cut-off date were only entitled to cast their votes. The members who have not cast their vote through remote e-Voting and who are attending this meeting will have the opportunity to cast their vote during this meeting. The voting window is open for all the members and will also be available for up to 15 minutes after the completion of this meeting.

The members who have cast their vote through remote e-Voting will be eligible to participate in the AGM, but will not be eligible to cast vote again at the AGM. The members can go to the homepage of the NSDL and cast their vote during this window provided by the company.

The Board of Directors of the company have appointed Mr. Ankit Singhi, and failing him Mr. Nithesh Natwal, Partner of PI & Associates, Practising Company Secretaries as the Scrutinizer, who is Scrutinizer in both e-Voting process and voting through the e-Voting system at the AGM in a clear and transparent manner.

The combined result of remote e-Voting and e-Voting undertaken at the meeting today will be announced and displayed on the website of the company and will also be submitted to the stock exchanges as per the requirements under the SEBI listing regulations.

Now I would request Mr. Kapur, Chairman of the company to address the members. Over to you, Mr. Kapur.

Sunjay Kapur:

Thank you, Ajay. Let me first apologise and welcome Mr. Prasan Firodia, I had a message that he had some technical issues joining, so I didn't announce his name earlier. But welcome.

Good afternoon. It is my pleasure to welcome you all to the 25th Annual General Meeting of your company and the first AGM since its successful listing on the NSE and BSE. Thank you for joining us today. I'm elated to share our plans for the year with you before we go there, please allow me to further acquaint you with Sona Comstar.

For over two decades, we've been involved in designing, manufacturing and supplying highly engineered mission critical automotive components and systems for vehicles across segments of passenger car, commercial vehicle as well as off-highway and farm equipment categories.

Our area of focus remains in the Drivetrain space and the motor space with two divisions Driveline division which builds differential assemblies and drive units, and the motor division which builds starter motors, traction motors, and motor controllers. Our ultimate aim is to build an integrated electric powertrain and become the heart of electric propulsion.

Being a product first company we're keenly invested in technology and innovation, and R&D is the core of our business strategy. Sona's manufacturing facilities are spread across India, China, Mexico and the USA. All the plants are digitized for maximum production efficiency, and ably supported by in-house manufacturing expertise and best-in-class quality systems.

From inception, we have strongly put our belief in ownership of technology with a strong focus on quality and safety. I'm proud to share that we have over a 100 R&D engineers and 12 active patents to our name. This has enabled us to move to a position of leadership and stay ahead of the curve making us market leaders in our segments and operations.

Sona is also one of the largest exporters of auto components and systems out of India. With our variety of product offering and strategically distributed plants, we're not dependent on any single product category, vehicle segment or geography. The company is ambitious and ready to explore the untapped market potential of Indian as well as European, Chinese and American electric vehicle markets.

I'm happy to share that our IPO was well received by the markets and we're immensely grateful for the wholehearted faith placed in us by our investors. With healthy financials, a well-diversified product portfolio and robust potential to grow in the EV space, we hope to repay that faith in the years to come with reinforced resolve to strengthen our presence as leaders in the global arena. This milestone marks the beginning of a new phase of our journey.

The industry today is going through a disruptive phase with Governments the world over taking concrete steps to tackle climate change. And as a result, electrification is accelerating with the help of capital markets, consumers as well as automakers both new and old, pushing the rise of EV's in India.

In India too, favourable government initiatives like FAME II subsidies of up to 3 lakh Indian rupees, reduction of GST rate to 5%, waiver of road tax and registration in several states, the upcoming PLI scheme and income tax benefits of up to INR 1.5 lakhs for individuals are projected to drive the demand for EVs over the foreseeable future.

Since we began our journey, we have always reiterated that our employees are our biggest assets. The welfare and safety of the Sona Comstar family was put through a critical test during the pandemic. Considering that our team members are spread across geographies, we launched the Sona Comstar Health app to keep a closer watch on their wellbeing. Subsequently, the company sponsored vaccination drives for employees and their family members and today all eligible employees are either partially or fully vaccinated.

As the pandemic induced lockdown interrupted or stalled business activities, mass panic and muted consumer sentiment prevailed in the first half of last year. However, backed by the Government's proactive measures, the situation improved towards the second half of the year and the economy regained normalcy.

This strength of spirit gives us hope around the consumers' ability to adapt to changing market dynamics. Sectoral challenges

notwithstanding, macroeconomic factors like the increasing population, spend on infrastructure, growing middle class and improving lifestyle choices would be a constant driver for growth in the long-term.

The prolonged lulls in the automotive industry notwithstanding, there are several aspects that keep us optimistic about the future. We're currently living in what can be called India 2.0, which has evolved drastically over the last few years and is well on its way towards a digital revolution.

The Government's focus on empowering domestic manufacturing through the Atmanirbhar movement also bodes well for us. The PLI scheme for automotive and automotive components, voluntary scrapping policy, focus on personal mobility are aspects that will facilitate deep localization and take forward the vision of establishing Indian manufacturing as a one-stop-shop for the global market.

I conclude on a note of gratitude for all our stakeholders for their strong spirit during these unprecedented times. We look forward to an exciting and enriching journey together. And now I will request Mr. Ajay Singh, Company Secretary to resume the proceedings of the AGM.

Ajay Pratap Singh:

Thank you, Mr. Kapur. The notice of the 25th Annual General Meeting along with the copy of Audited Standalone and Consolidated Financial Statements of the company for the financial year ended 31st March 2021 together with the Auditors Report and Directors Report thereon have been emailed within the statutory period to all the shareholders, whose email addresses are registered with the company –as per their Depository Participants as on 6th of August 2021.

The shareholders may access the annual report and notice of 25th Annual General Meeting from the website of the company at www.sonacomstar.com, the Bombay Stock Exchange, NSE and NSDL. With the permission of the Chair and the Members present, the notice of the 25th AGM and the Board report, which were circulated to all the members are being taken as read. The Audit Report on the standalone financial statements of the company for the financial year ended on 31st March 2021 does not contain any qualification, reservation, or adverse remarks and is being taken as read.

The Auditors' Report on consolidated financial statements of the company for the financial year ended 31st March 2021 contained qualification for which the attention of the members is invited. The qualification read as follows:

The following matter was the subject matter of qualification in our Audit Report on the Consolidated Financial Statements of the Group of the previous year ended 31st March 2020. While the matter as explained below does not have any effect on the consolidated profit of the group for the current year ended 31st March 2021, and its equity attributable to the owners on that date, we are unable to comment on the consequential impact of the below matter on the comparability of the current year figures with the competitive financial information for the year ended and as at 31st March 2020, including in the accompanying consolidated financial statements.

As further explained in Note 49 to the accompanying consolidated financial statements, the majority shareholding in Sona Holding B.V. Netherlands, the erstwhile subsidiary company was sold to Sona Autocomp Holdings Private Limited on 4th July 2019, and the Holding Company therefore lost control over the erstwhile subsidiary company from 5th July 2019 onwards.

Owing to the unavailability of the consolidated financial statements of such subsidiary company and its subsidiaries here and after referred as the SONA BV Group, for the period from 1st April 2019 to 4th July 2019, we're referring this period as the specified period, the consolidated financial information of SONA BV Group for the specified period had not been included in the consolidated financial statements of the Group for the previous year ended 31st March 2020.

Such accounting treatment was not in compliance with the requirements of Ind AS 110, Consolidated Financial Statements and accordingly, our audit report dated 29 December 2020 on the consolidated financial statements of the Group for the year ended 31st March 2020 was qualified with respect to this matter.

As further mentioned in our Basis for Qualified Opinion section of our report dated 29 December 2020, had the consolidated financial statements of the Group been prepared after considering the consolidated financial information of SONA BV Group for the specified period, the Profit or Loss from discontinued operations would have been higher and Exceptional Item would have been lower by the same amount with no effect on the consolidated profit of the Group for the previous year ended 31st March 2020 and its equity attributable to the owners on that date.

However, in absence of necessary financial information, we're unable to quantify the impact of aforesaid statement on such items and related disclosures required under Ind AS 105 on non-current assets being held for sale and discontinued operations on the consolidated financial statements for the year ended 31st March 2020. Further the attention of the members is invited on the report of the Board of Directors who have commented on the qualification which forms part of the Annual Report for the financial year 2021, which has already been sent to the members and is also available on the website of the company.

Further the secretarial auditors' report does not contain any qualification, observation or comment, which might have any adverse effect on the functioning of the company, the same is also being taken as read. Since the AGM is being held through video conference and all the resolutions mentioned in the notice convening this AGM have already been put to vote through remote e-Voting, there will be no proposing and seconding of the resolutions mentioned in the AGM notice. Now with the permission of the Chair and the members present, we take up the resolutions as set forth in the AGM notice as follows.

So first the ordinary business, Item number 1 to consider and adopt the audited financial statements and audited consolidated financial statements of the company for the financial year ended March 31, 2021 together with the report of the Board of Directors and auditors thereon to be passed as an ordinary resolution; Item number 2, to appoint a Director in place of Mr. Vivek Vikram Singh having the DIN number 07698495, who retires by rotation and being eligible offers himself for re-appointment.

This needs to be passed as an ordinary resolution. Now, moving to the special business, Item number 3, to approve the payment of remuneration to Mr. Sunjay Kapur, having the DIN number 00145529, Non-Executive Director and Chairman of the Company for the financial year 2021-22 to be passed as a Special Resolution.

Item number 4 to approve the payment of remuneration or compensation to non-executive directors, including the independent directors of the company to be passed as a special resolution; Item number 5, to approve the payment of remuneration to Mr. Vivek Vikram Singh, Managing Director and Group CEO of the company, to be passed as a special resolution; Item number 6, to approve the exit return incentive plan for the employees of the company by Singapore VII Topco III PTE Limited is to be passed as an ordinary resolution.

The rationale for all these resolutions to be considered at the AGM is already set out in the notice of the Annual General Meeting and the explanatory statement attached thereto and for the sake of brevity, I'm not repeating it again. In case the members wish to seek any clarification, they can raise it during the Q&A session. Thank you very much.

Now with the permission of the Chair, we will move to the question-and-answer session. The members who have registered themselves as a speaker may ask their question in relation to any item of the business. Once all the members have asked their questions, we will attempt to answer them one by one to avoid the repetitions.

I shall now request the moderator to please facilitate the speaker shareholders in the order to put forward their questions. Keeping in mind the brevity of time, we would take all the questions first and the Chairman will respond the questions at the end.

In case there are any questions which cannot be answered on the spot, the company may answer the same to the members individually over the email after the AGM. I will now request the moderator to unmute the speakers one by one as I call out their names. In order to allow the opportunity to all the members who have registered as a speaker, I would request the speakers to restrict themselves to three minutes. I will now request our first speaker Mr. Yash Pal Chopra to please ask his question. Mr. Chopra.

Yash Pal Chopra: Am I audible?

Ajay Pratao Singh: Yes Sir, very much

Yash Pal Chopra: Okay, sir. Honourable Chairman Mr. Sunjay Kapur and the eminent professional team of Directors with him, first of all, I would like to congratulate you all for the grand achievement, grand success of the IPO that where you enriched those persons, who have been allotted shares. There is 100% appreciation from the issue price. This is a matter of achievement and pride for their investors as well as that deserve kudos and congrats to the management.

Sir, the next point to congratulate the management is the good performance, grand performance of the company. The performance is not comparable with any historical data, but the point that 75% of the revenue (FY20-21) is from foreign countries that shows that our flag is very, very high even in foreign countries like the USA, China, Europe. So

that is very big thing that our products are very well in demand in those countries and that shows the strong goodwill of the Company, so that is a matter of pride and congratulations, sir.

The third thing is that the company is just entering in an area with a product, which is having a very, very bright future that you're now producing those products, which are the backbone of the four-wheeler industry, differential assemblies, gears, these are the things and these are -- on which is based the total structure for a vehicle. So that means that is the backbone of that four-wheeler industry which you are just supplying that, you are manufacturing that. So we're very proud of you sir. And you have got nine plants abroad and across India and that feeds customers not only in India, even USA, China, Europe, America, and all that. That is a very, very, very, very sound future in hand.

And sir, my conviction is that the share price is a barometer of the strength of a company. So as the price has crossed even Rs. 550 some time, so that shows that the company is in very, very strong hands and has very solid products and has a very, very sound future.

Sir before I close, I will just say that I am a person who was very much associated with Dr. Surender Kapur, while he was in the Sona Okegawa and all that. And being a registered advocate with the Bar Council, so many times I was given the chance as a scrutinizer and all that. I can just tell you Sir that the goodwill of Dr. Surinder Kapur is so solid that at the time of the grand ceremony of Sunjay Kapur on Greater Kailash Gurudwara, there were thousands of people in that big hall which occupies around 2,000 people, that was totally full and even the outside parking area and the sheds beyond that were all full with people.

And after that ceremony, Mr. Rajan Nanda, he just came to me just to ask me that how I'm here because of my relation with this stock is for more than 50 years. So, I have seen Rajan Nanda, I have seen Mr. Munjal, I have seen Mr. Arya, and so many top leaders of this auto industry, they were there and as they are there. So naturally, our company can very well have a solid relation with them, and we can avail of their services also with our company.

So Sir our future is very much bright. And before I close, I'd wind up, I have just one query that please advise me as to when we are going to pay dividend to the shareholders, to the investors. And before I wind up, I must complement our Company Secretary, Mr. Ajay Singh, and Mr. Rajesh for giving me a chance to speak.

And before I close, I pray to God to bestow positivity on you all from the top to the last man in the plant. So that their positivity, their strength is the strength of my company and the strength of my company is the strength of my investment. Best of luck to you, congratulations, congratulations, congratulations. Thank you.

Ajay Pratap Singh: Thank you, Mr. Chopra. Now I will request the second shareholder Mr. Ajay Kumar Jain to please ask the question. Mr. Jain?

Ajay Kumar Jain: Namaskar Sir, mein Delhi se Ajay Kumar Jain shareholder bol raha hoon. Company ne annual report jo bheji thi usme bilkul clear baat spasht ho gai. Aur sir joh mann me queries thi woh aapke speech mein itna kho gaya ki usko hi sunta gaya. Meri sari queries usme hi khatam ho gayi, unhone pehle hi reply de diya. Hamare Kapur saab bhi joh vision hai, uska aaj unhone parichay de diya. Aaj sir jo log aisi company mein apply karne ko reh gaye the unko bada pachtava hoga, andaza hi nahi tha ki hamare chairman saab kis Parivar se aate hai. Individual roop se unme kitni shamta hai. Aaj unhone IPO ke rate se kaha se kaha pahucha diya. Yeh itne short term mein unhi ka vision hai aur working capacity ka natija hai. Unhone IPO ke bad aisa ped diya jisme already faal lage huye hain. Meethe faal hai jiski sugandh chaaro aur falti jaa rahi hai. Sir aaj toh prashna puchne ka din hi nahi hai kyunki aaj hamari company ki 25th salgiraah hai. Yeh sab shareholders ka bahut bada saubhagya hai aur meeting mein bhi kahah jude - silver jubilee mein aaye. Chandi shareholder ki hi hoti hai aur Chairman saab aur Board hume aage leke jayega. Jab hum agle saal kisi bhi roop me aayenge toh mein samazta hu ki share price double ya kisi bonus ke roop mein shareholder ko mil jayega. Aisi mujhe asha apne Chairman saab ke saath hai. Sir ek choti si request hai ki itna acha presentation hai ki Chairman saab is silver jubilee pe company ki jo annual report hai woh annual report par apni autograph mujhe bhej de. Mere home collection ke liye kaam aayegi sir. Sir kal ko pata chale ki 50 saal bad ushi annual report ki value chaandi ki ho jaye. Aapke aur company secretary se kya kaho. Yeh naya system tha aur hume samaj mein nahi aa raha tha. Maine mail kiya, company secretary saab itne active hai mujhe kaha ki aap apni baat kahiye, Kapur saab baat karenge. Unke joh assistant hai Rajeshji unhone abhi tak aaj subah tak kaha ki aap line pe rahiye yeh saab good governance hai. Company me sukh hai, yeh saab humne Kapur saab ki company mein bhi dekha. Nuksan kabhi hua nahi. Sukhad bhavishya ke liye puri management ke liye shubhkamnaye. Jai Hind.

[Translation: *Greetings sir. I'm Ajay Kumar Jain from Delhi, a shareholder speaking. The annual reports sent by the company were*

very clear. And I was lost in the speech of the Chairman, and all my queries have been replied through his speech. And he has unveiled his vision also today. All the people who didn't apply in the IPO must be regretting and feeling very disappointed. They probably did not have an idea of the industrious family background from which the Chairman comes from and his abilities. He brought the rate from the IPO to great heights, in such a short term. This is due to his vision and his working capacity.

He's given such a tree to the shareholders through the IPO in which the fruits are already there and the fruits are very sweet and their fragrance is spreading all round. Second thing is that today is not the day to ask questions. It is the 25th anniversary of our company and it is a great blessing to the shareholders who had the privilege of associating with the Company in its silver jubilee year. So the rewards are always to the shareholders and the meeting is also 25th and our Chairman and the Board and his leadership will take us to great heights by next year. I think that the share price will double or the shareholders will get additional returns in the form of a bonus. I have such expectations from our Chairman.

I have a small request. It was such a great presentation. If I can receive a printed copy of the annual report of this silver jubilee year autographed by the Chairman, it will be great for my home collection. Maybe after 50 years the value of the annual report might be such that I will receive in the form of silver.

There is no shortcoming of any kind while dealing with the Company.

The talk will be meaningless with talking about the Company Secretary because we don't understand this new system of participation. I had mailed my concerns. The Company Secretary is so active. I didn't expect any reply but he immediately replied that as a shareholder you must speak at the meeting and the Chairman will personally reply to your queries, as I was hesitant to do so. But Mr. Ajay and his Assistant Rajesh sir, till this morning, and even in this meeting asked that you are not facing any problems. In-between when there was a disturbance he said no, no you stay on the line. This is all good governance. The future of the company is very bright and also the shareholders. We have seen in the previous companies of Mr. Kapur also. We never faced any loss. I give my best wishes for the future to the whole management. Thank you. Jai Hind.]

Ajay Pratap Singh: Thank you, Mr. Jain for your kind words. Now I will request the third shareholder Mr. Jasmeet Singh to please ask the question. Mr. Singh?

Jasmeet Singh: Yes, am I visible and audible?

Ajay Pratap Singh: Yes, sir. You are.

Jasmeet Singh: Yes, thank you for your confirmation. Dear Chairman, Sunjay Kapur; CEO, Vivek Singh, other Board of Directors, CFO; CS team of Ajay Pratap and Rajesh and everyone attending this AGM a very good afternoon to you all from Jasmeet Singh, Manmohan and Pritham. As advised, I will wrap up reading my note within three minutes. Chairman sir, this being the first AGM post the IPO and listing, so it will take a bit of time for what the new shareholders such as me, who have recently joined the Comstar family to understand our exact business operations.

However, the working shared by you about our company has provided us fair amount of information, which is assuring of bright future especially with our intended focus on the EVs. I'm compelled to mention here that our company being one of the market leaders in auto component industry should have got listed many years back, as it would have allowed us to create immense wealth even in the yester years. All the credit to the management and the advisors, the Lead Managers who priced this large size IPO quite reasonably and promoted it beautifully.

And all this resulted into successful listing. It was heartening to see that straight away our company settled into the midcap category, and I foresee it will not take much long for our company to graduate into large cap category, which will of course create wealth for all our shareholders. Thank you for this.

Now, I have couple of concerns, which I would like the management to please respond or clarify. Number one, the rising input costs are wreaking havoc on the automobile component companies, which may have impact on our margins. What's the management take on this?

Second question, the shortage of semiconductors globally has taken everyone as a surprise. I hope that we have got sufficient inventories and regular incoming supplies of semiconductors so that our sales are not impacted, please appraise.

Another small point on the Government of India key initiative to boost manufacturing to achieve Atmanirbhartaa and increase exports. The Government has announced production linked incentive scheme, which includes automobile and auto component industry. I would like to know

if Sona BLW intends to participate in the soon to be launched PLI scheme for auto sector.

Finally, it would be unfair on my part, to finish my note without praising good corporate governance, keep this up. To close, I wish everyone very good health and wealth in the coming months and times ahead. Thank you.

Ajay Pratap Singh: Thank you, Mr. Singh. Now I will request the fourth shareholder Mr. Shubham Singh to please ask the question. Mr. Singh?

Shubham Singh: Yes. A very good afternoon to all of you. My name is Shubham Singh and dear Sir first of all, I would like to congratulate all the team members of the Sona BLW for the successful IPO. I'm just moving towards my question. And my question is that I have just found through the exchange that the company has constituted on ESG committee. So I just would like to ask what are the company's plans to take forward the ESG initiatives. Thank you.

Ajay Pratap Singh: Thank you, Shubham. Now, I will request the fifth shareholder Mr. Rajeshwar Singh to please ask the question.

Rajeshwar Singh: Yes, Good Afternoon, everyone. I am Rajeshwar Singh. This is the first time I've put a lot of money in a company through IPO. And I would like to congratulate Mr. Sunjay Kapur for the way he has governed. We get assurance from his speech and I expect we will get those innovations from Sona Comstar for the country and around the globe. And from my perspective, I'm asking a simple question, which the first speaker shareholder had also asked that what is the company's future? What is the future plan to reward to the shareholder with declaring any dividend or anything like? Okay, thank you.

Ajay Pratap Singh: Thank you, Rajeshwar Singh. I will now request the sixth shareholder, Mr. Ashok Kumar Jain to please ask the question, Mr. Jain?

Shashi Jain: Good afternoon respected Chairman Sir and Board of Directors. I'm Shashi Jain, speaking on behalf of joint shareholder Mr. Ashok Kumar Jain, vide Client ID number: 10242590. Sir, I hope everyone is safe and healthy during this COVID pandemic. I would like to thank the management for giving me the opportunity to speak at this maiden AGM after IPO. Congratulations to the Chairman sir and the whole team for commendable standalone results for financial year '21.

I would also like to say thanks to the Company Secretary and his team for providing the hardcopy of the well-designed annual report on my request in a single call, which shows very transparent results.

My query is now that does the company plan to list its stock on any foreign stock exchange in near future? If yes, what are the advantages of having the stock traded there for our market share price. At last, I would like to thank the share department for holding excellent e-meeting with an expectation of interim dividend in financial year '22. Thank you.

Ajay Pratap Singh: Thank you, ma'am. Now I will request the seventh shareholder, Mr. Vimal Jain to please ask the question. Mr. Vimal Jain?

Vimal Jain: Hello

Ajay Pratap Singh: Ya, Mr. Jain we can hear you.

Vimal Jain: Okay. Very, very good afternoon respected Chairman Sir, Board of Directors and all the management staff and my fellow shareholders joining this e-meeting. We all like every shareholder, I have full faith in the management, which is having the name Sona Comstar. Sir first of all, many congratulations and thanks to the management team, as well as to the employees for giving excellent results that lead to the appreciation of our equity value by more than 50% within a quarter since the allotment.

No doubt, the annual report depicts all financial statements very, very clearly. But my first point is that what steps has the Board of Directors taken to monitor management's actions and to ensure that shareholders' interests are protected? Secondly, in comparison to domestic business, how is the margin in export business? Lastly, I would like to thank the Secretary department and all the supporting staff for making good excellent arrangements for the e meeting.

Ajay Pratap Singh: Mr. Jain, we can't hear you, I think there are some connectivity issue at the end of Mr. Vimal Jain

Sunjay Kapur: His questions are completed

Ajay Pratap Singh: Okay. Thank you, Mr. Jain. Now I will request the eighth shareholder Mr. Narender Singh Chauhan to please ask the question. Mr. Chauhan?

Narender Singh Chauhan: Sir, Hello, Namaskar Chairman Sir and Board of Directors. Sir first of all, I thank the share department for conducting the AGM through VC, which enables me to join from a faraway place and to keep my query in front of the management. Sir I would like to know that with the improved scenario in automobile sector, how would you plan to reward the shareholders after IPO?

Can we expect interim dividend in this final year? And sir at last, I just want to say thank you very much to the Secretarial department and all the supporting staff for conducting excellent AGM and hope management will continue to hold the AGM through VC only on this platform in future also. Thank you so much.

Ajay Pratap Singh: Thank you, Mr. Chauhan. Now I will request the ninth shareholder Mr. Gagan Kumar. Please ask the question, Mr. Kumar?

Gagan Kumar: Good afternoon, Mr. Chairman, Board of Directors and fellow shareholders. I am Gagan Kumar, my DP ID is 30020611044542. I'm joining this meeting from Delhi. Chairman Saab, apni company ki 25th AGM aur after IPO first AGM mein aap sabhi ka swagat karta hun. Hamari company ki aaj AGM hain aur aaj hi ke din hamare share ka rate jo hai woh panso sattar ko touch karke abhi tak ka high create kiya hai. Aaj hi ke din sir. AGM ki Mubarak baat humara share price bhi de raha hai. Doosri cheez mein kehna chahta hu ki abhi joh AGM hai agar CORONA ke pandemic ki wajah se online kar rahe hai par agar hum aapse ru b ru ho pate. Agli baar agar possible ho toh hum log physical meeting ko prefer karenge. Taki ek baar joh mauka shareholder ko aapse milne ka hai woh bana rehna chahiye. Baki jaisa aap theek samjhe who kare. Hum log aapke saath the, aapke saath hai aur aapke saath rehenge. Query ki koi gunjaish bachtai nahi, sir maine dus minute pehle meeting join ki thi, toh aapka jo ek video chal raha tha that was like a virtual plant visit. Kafi baariki se unme dikhaya ki kya company ke products hai, kis terah se ban rahe hai, toh ek baar mein chahunga ki joh product ki range hai uske baare mein thoda sa vistar se batai kyunki hum log abhi naye juude hai. Sona Koyo mein toh kafi time se shareholder hai par yeh company mein naye hai toh thoda product ke baare mein bataye. Kya hum expect kar sakte hai ki hame next AGM aaner ke pehle kuch dividend ya reward shareholder ke liye. Dosri cheez in shabdo ke saath mein abhi toh mein aapka, aapki team ka, CS, Mr Rajesh, Mr. Anuj, Madame Suman, everybody joh aapki team hai, excellent team you

have, they are taking good care of shareholders. Thank you, thank you so much.

[Translation: *Good afternoon, Mr. Chairman, Board of Directors and fellow shareholders. I am Gagan Kumar, my DP ID is 30020611044542. I'm joining this meeting from Delhi. Mr. Chairman I welcome you to our company's 25th AGM and the first AGM after IPO. We have the AGM of our company today and today only our shares have touched INR570 and created a new high on this day. The share price is also congratulating on the AGM in its own way.*

Second thing I want to say that at present due to the Corona pandemic we are forced to organize a virtual AGM, we would be happier if we could meet you in person at this first meeting. And I would like that next time if possible we would prefer a physical meeting, so that the shareholders can take the opportunity to meet you in person atleast once in a year. Pls do as you deem fit. We have been with you, are with you and will continue to support you.

There is no question of any query. I have joined the virtual platform 10 minutes before the start of the meeting, and the video that was playing was like a virtual plant visit. It was very detailed about our products and how they are made. I would like if you could give some details about our products, as we have recently joined the company. We have been a Sona Koyo shareholder for a long time. But we are new to this company, so please say something about the product range, and second can we expect that we get some dividend or rewards before the next AGM to the shareholders.

Second thing, with these words I would like to complement you and your team, our CS, Mr. Rajesh, Mr. Anuj, Madam Suman, everybody in your team, excellent team you have, they are taking good care of shareholders. Thank you, thank you so much.]

Ajay Pratap Singh:

Thank you, Mr. Kumar. Now I will request the 10th shareholder, Mr. Sarabjit Singh to please ask the question. Mr. Singh?

Sarabjit Singh:

Chairman sir, first of all Kapur Sir good morning -- good afternoon to you and all the staff and all the Board of Directors of Sona BLW. Chairman Saab first of all aapko Mubarak baat dete hai ki silver jubilee ke saath Mubarak baat ho, is saal sir aapko VC mode mein mil paye par aur bhi zyaada khushi hoti agar silver jubilee mein aamne saamne hote. Is company mein vishwas har kisi ka bana rehna chahiye kyunki share ka price double ho chuka hai. Jahan se shuru kiya tha. Sir Kapur family toh

hamesha se auto sector mein leader rahi hai. Baki sir mein yahi kehna chaahunga ki aane wale thoda sa road map ke baare mein bataye. Pura ka pura aapke secretarial department ne jitni mehnat ki hai, meeting ko itni achi tarike se uplabdh kiya uske liye hum bahut dhanyavad karte hai. Unhone bahut khubsurti ke saath is VC mode par connect kiya hai. Thank you sir.

[Translation: *Chairman sir, first of all Kapur Sir good morning -- good afternoon to you and all the staff and all the Board of Directors of Sona BLW. Chairman Sir, first of all I want to congratulate you that when you had the listing, you also have the 25th Annual General Meeting. We have been able to meet you this year in VC mode only. We would have been happier if we had been in front of you on the occasion of Silver Jubilee. Everyone should be confident in this company as the share price has also doubled from allotment. And Kapur family has always been a leader in the auto sector.*

The other thing I would like if you could give some view of the roadmap, and the tremendous work done by your department to organize this first meeting we would like to commend them, that they have connected us in this VC mode. Thank you sir.]

Ajay Pratap Singh:

Thank you, Mr. Singh. Now I will request the 11th shareholder Mr. Manjit Singh to please ask the question. Mr. Singh?

Manjit Singh:

Hello. Chairman Sir. Good Afternoon to you and all the staff. Chairman Sir iss Silver Jubilee ki hum aapko Mubarak baat dete hai. Sir ek cheez aur kehna chahunga sir ki aapka share jis din list hua tha usi din 20% ke upper band pe bhi raha hai. Iske liye aur bhi zyaada Mubarak baat dete hain. Chairman saab aapne shareholders ko share ki full value di hai. Hum logo ka vishwas hai ke aane wale time mein share ki value aur bhi achi hogi, hala ki listing ke baad double par hamara achievement kar chuka hai share. Sir mein yeh puchna chaahunga ki hamari joh promoter holding hai 67% se upar hai, toh kya aap koi QIP issue lene ka sooch rahe hai ki jisse foreign investment bhi hamari company mein aaye. Sir unnees sau pichanve se jis tarah se aap joint venture aur new plant par dhyaan de rahe hai bahut aachi baat hai yeh hamari company ke liye. Sir CORONA ki vajah se joh bhi humko nuksan hua aur plants na chal rahe ho, sir kya aap full capacity ke saath hamare plants chal pa rahe hai. Sir aane wale do saal ka road map bataye. Aur sir Kapur saab aapki puri ki puri family ka hi itihis hai joh auto sector mein raha hai. Sir time time pe award bhi mile hai. Sir aapko us cheez ki Mubarak baat bhi dete hai. Aur Sir ek aur cheez choti si ki COVID 19 ke duaran hamare kisi bhi

staff ko ya kisi bhi member ko koi nuksan toh nahi hua. Sir agar koi nuksan hua hai toh sir uss baare mein unke liye aur unki family ke liye kya socha hai. Aage bhavisyia ke liye kya socha hai. Is VC ke duaran joh aapse judh paye aapke secretarial puri department ki mehnat hai, Ajay Pratap ji aur unki puri team. Unko Mubarak baat aur Chairman Saab aapko kehte hai ki is meeting ke khatam hone ke bad in logo ki peeth thap thapaye aur Mubarak baat dena mat bhule. Unhone itni achi tarike se aapke saath joda hai. Thank you, Chairman sir. Kapur sir, thank you.

[Translation: *Hello. Chairman Sir, Good Afternoon to you and all the staff. Chairman sir, we congratulate you on this Silver Jubilee. One other thing I would like to say, the day your shares listed the same day it has been 20% in the upper band. So double congratulations for this. Chairman sir, you have given full value to shareholders of the Company, and we have full faith that in the coming time the value will be still better, even though it has already nearly doubled since listing.*

I would like to ask you, that our promoter holding is above 67%. So are you planning to have any QIP issue by which the foreign investors also come in our company? Since 1995 you have been focused on joint ventures and new plants. It is a very good thing for our company. Whatever the loss due to Corona as the plants are not running at full capacity, are the plants now running at full capacity. And please lay out the roadmap for the coming two years.

And sir, this has been your family history you have stayed in the auto sector and you have received awards also from time to time, we congratulate you on that also.

I want to ask a small thing, during COVID-19 did any staff or any member of SONA BLW face any loss. If they had any losses what are your plans for their family and their future? And due to this VC we have been able to join you and this is the hard work of your department, Ajay Pratap and his full team. We want to congratulate them and also tell you Chairman sir, please pat their backs after this meeting and don't forget to congratulate them, who have been instrumental in allowing us to join you in such a grand manner. Thank you, Chairman Sir. Kapur Sir, thank you.]

Ajay Pratap Singh:

Thank you, Mr. Singh for your kind words. Now I will request the 12th shareholder, Mr. Santhosh Bhutani to please ask the question. Mr. Bhutani?

Santhosh Bhutani:

Okay. Our respected Chairman Sir, Shri. Sunjay Kapurji, Board members and management team. Thanks for giving me the opportunity. My Account number is, my account ID number is 24109, Santhosh Bhutani and MP Bhutani jointly operating this account sir. Sir jaisa ki aapne apne opening remarks mein kaha aur kafi kuch bataya hume, humari jaankari ka gyan badha, Chairman sir yeh kehna chaahunga ki aap mahan Khiladi hai jinhone polo mein bhi aacha mukam haasil kiya hai. Aapne kaha ki polo has made me more focused. Strategy on the ground and the thrill of the game, apne aanth saal ki age mein pehla game dekha aur uske bad aap khiladi ke roop mein ubhar ke aaye. Jab aapke saath Manu Pathakji ko dekhte hai joh aapki energy or level jabardast hoti hai, usme bahut aache roop mein aapko dekhte hai. Aapke bahut acha mukam haasil kiya hai. Aapki pachis saal ki journey yeh silver jubilee par hum mil rahe hai joh aapne IPO ke zariye hume joda hai bahut acha lag raha hai. Aur mein yeh samajtha tha ki aapki leadership mein hamari management team majbut stithi mein saamne aayegi. Hum majbut hai aur aage chalke ache result layegi, aur company ko aur uchai par pahuchaigi. Sir mera ek jo sawal hai ki your medium and long-term strategy on the challenges also due to the impact of the pandemic such as second wave of COVID-19 and also the fear of third wave and how have we readied ourselves for any similar situation in the future?

And also, there is a statement that a code red for humanity Juan said on climate change. Sir, Vivad se Vishwas scheme was launched last year to settle the pending disputes integration are there that this scheme has been a good success. I want to know comments, is there was any benefit from this scheme. Sir in the balance sheet there is sufficient room for improvement. Therefore, I want to know your future step to increase the asset quality and capital improvement to strengthen the balance sheet in the coming time and your value creation roadmap.

Sir after going through the Annual Report I'm happy but not fully contented at all, because we feel that the company has much more potential than what it has delivered yet. Sir, we feel that the company management is very competent, and its approach to achieve the target and systematic in its working, stronger in its commitment and more responsible.

Sir I would appreciate if you could briefly reply and I wish the company all the best for the future and hope to see a healthy growth in revenues and size of the company under your leadership in the coming time. Thank you very much Chairman sir. Ek baat mein jaate jaate kahna chahta hu aapni baat ko viram dunga ki aapke haath hai aapke saath hai

isliye pratidundhiyo se keh do ki akele nahi hai hum duaon ka kafila chalta hai hamare saath. Jiski joh value hai jiski joh risk mein aur life mein, mein samajta hu ki company ko aur uchai par le jayenge. Humari best wishes aapke saath hai. Dhanyawad sir.

[Translation: Okay. Our respected Chairman Sir. Mr. Sunjay Kapur , Board Members and management team. Thanks for giving me opportunity. My Account ID number is 24109, Santhosh Bhutani and MP Bhutani jointly operating this account sir. Sir, as you said a lot about the company in your opening remarks and we were able to increase our knowledge a lot. Chairman sir, I have two small points to put forward. I would like to say that you are a great player who has attained great status on the polo ground also, as you said Polo has made me more focused. Strategy on the ground and the thrill of the game has helped to shape you. You saw the first game at the age of 8 and you have emerged as a player and when we see Manu Pathak with you in the match, your energy and your level of strategy is such that we see you in a good role and you have attained good status in polo also.

And also in business, in your 25 year journey, we are meeting on the occasion of our silver jubilee, and you have connected to us through the IPO, we are feeling very good. And I think under your leadership our management team will come forward in a position of strength and it is this strength which will bring good results forth, and raise the company to great heights.

I have one question that your medium and long-term strategy on the challenges also due to the impact of the pandemic such as secondary of COVID-19 and also the fear of third wave and how have we readied ourselves for any similar situation in the future?

And also, there is a statement that it is code red for humanity Juan said on climate change. Sir, Vivad se Vishwas scheme was launched last year to settle the pending disputes and this scheme has been a good success. I want to know if we have taken any benefit from this scheme. Sir in Balance Sheet there is a sufficient room for improvement. Therefore, I want to know your future step to increase the asset quality and capital improvement to strengthen the balance sheet in the coming time and your value price on roadmap.

Sir after going through the Annual Report I'm happy but not fully contented at all, because we feel that the company has much more potential than what it has delivered yet. Sir, we feel that the company

management is very competent, and its approach to achieve the target and systematic in its working, stronger in its commitment and more responsible.

Sir I would appreciate if you could briefly reply and I wish the company all the best for the future and hope to see a healthy growth in Venus and size of the company under your leadership in the coming time. Thank you very much Chairman sir. I will end my talk with one last thing, that [indiscernible] [0:56:07] is in your hand and with you, so tell the competitors that we are not alone, the people are with us. [Technical Difficulty] [0:56:18] their value and they have been great in business and life and I think that you are following in his footsteps will take the company to even greater heights.

Our best wishes are with you. Thank you very much.]

Ajay Pratap Singh: Thank you, Mr. Bhutani. Now, I will request the 13th shareholder Mr. Lokesh Gupta to please ask the question. Mr. Gupta.

Lokesh Gupta: Hello, aap muje sun paa rahe hai

Ajay Pratap Singh: Ya ya

Lokesh Gupta: Sir, mein Lokesh Gupta delhi se sabhi Board members of suvagat karta hu, Sab se pehle Chairman Saab aapko excellent Chairman speech aur excellent listing ke liye bahut dhanyawad deta hu. Sir maine secretarial department se baat ki aur unhone mujhe aapse joda. Sir hum dekh rahe the auto sector mein kahi saalo se slowdown chal raha tha. Jab woh recovery ki taraf tha COVID ki first wave aayi, fir dubara second wave aayi. Third wave hopefully nahi aayegi. Sir hamare 9 manufacturing units hai jinme manufacturing humlog karte hai. Auto sector mein EV ki taraf hum ja rahe hai woh primary stage par hai. Lekin dheere dheere hum fully electric vehicle ki taraf jayenge. Usme hum global dealer hai. Lekin hum abhi kya kya challenging jaise power stage, charging stations ki kami hai aur bahut badi e vehicles ki running cost kum hai par cost jyada hai, toh isme hum kya dekhte hai future mein. Kitne saal ya time hume legega electric vehicle mein hum aapna staan bana sake. Dusri cheez sir, mere se pehle pucha tha ki PLI scheme. Humari government la rahi hai yeh scrappage policy, PLI scheme joh auto sector ko badhawa de sakte hai. Yeh schemes se aane wale ek ya do quarters ya saal mein aapki company ko kitna benefits hone ki sambhavna hai. Thoda is baare mein bataye.

Sir samay ache bure COVID aayenge jayenge lekin ek vishwas hota hai ki humari company ka leadership kiske haath mein hai, leader kaun hai. Hume vishwas hai aapki leadership par ki aapke haath mein company majbuti se aage chalegi. Jab company aacha karegi toh share price mein reflect hoga aur acha dividend healthy intention se hoga. Secretarial department ke bare mein kehne ki zaroorat hi nahi hai sir, unhone jis terah aacha kaam kiya hai unke liya bahut bahut dhanyawad. Thank you, sir.

[Translation: *Sir, I am Lokesh Gupta from Delhi, I welcome all the Board members. First of all, I congratulate you for excellent Chairman speech and excellent listing. Sir, I have spoken with the secretarial department and they put me in touch with you. We have seen there's been a slow down in auto sector since a long time. When it was going towards recovery, the first wave of COVID came, when we were again going towards recovery the second wave came. Hope the third wave doesn't come.*

Sir, we have nine manufacturing units in which we do the manufacturing and assembly. We are in the primary stage of the journey towards EV in the auto sector. But we are going slowly towards fully electric vehicle. We aim to be a global leader in that. But what challenges are we seeing, such as power shortage, shortage of charging stations. The running cost of E-vehicles is less but the upfront cost of E-vehicles is very high. What do we see in the future, how many years or how much time we think we will be able to cement our place in the electric vehicle industry?

Second thing, one earlier speaker had asked and you also said in the Chairman speech, the PLI scheme. Our Government is bringing scrapping policy and PLI scheme which will help to boost the auto sector. How much benefit will our company get from the PLI scheme in the coming one or two quarters or years? Talk about it Sir, good and bad times, COVID will come and go, but we are confident in the leadership of our company and who is the leader. We are confident in the leadership and that the company will go from strength to strength and our share prices also will reflect that and we will get extra dividends as lot of shareholders said. We don't have to say anything further about the secretarial department, all the shareholders have said and I am with them. The secretarial department has done a very good job and I commend them. Thank you, sir.]

Ajay Pratap Singh:

Thank you, Mr. Gupta. Now I will request the 14th shareholder Mr. Jaydeep Bakshi to please ask the question. Mr. Bakshi.

Jaydeep Bakshi:

Very good afternoon, Chairman, MD, Board of Directors, CFO. Myself Jaydeep Bakshi connecting from the city of Kolkata. Thanks to our Company Secretary Mr. Ajay Pratap Singh for giving me an opportunity to express my view. Sir, our annual report has been well presented. Can I have a copy of this, hard copy of this? Because this will be the first AGM we are attending after the IPO issue. So it would be a preservation copy like that.

Sir, we are into the leading manufacturer and supplier of automotive technical products and among the top five auto components manufacturers. And our journey has been from 1995 has been locked. What are the steps we are trying to bring up for future of mobility to our worldwide customers? Sir, we are going to diversify presence in vehicle segment. Sir, any other area of presentation we are thinking of? Sir, regarding the invest in R&D in both software and hardware, and applications, we'll keep our heads high and support our next generation. What are our future expenditure plans in this segment?

And regarding the capacity utilization of plants, what is the present status? And what has been the effect on the supply chain disruptions on our plants and our finished products sir? And what are our expansion plans in the world market? Sir our product offerings has been well-displayed in between pages 6 to 9 and any effect on business due to the lull in automotive sector. So you have supplied motor to electric vehicle makers for the first time. Have we received any feedback regarding this segment? Our revenue of growth and profits has been grown well, and it has been the best of the year in our history of our company. What are our initiatives for future to maintain this status in the coming days?

Thanks for the awards and also the congrats for the same -- for the awards which we have received. Regarding the raw material costs on our products, what are the steps we are taking any sizing of the raw materials or any diversification plans and any cost controls measures in our pipeline. Sir nothing to add more, I hope under your leadership, our company will rise to great height and provide best-in-class products that are beyond our customer expectations in the coming days.

And one more sir. This being the Silver Jubilee year kindly reward the shareholders handsomely in the coming days. And connecting to this video conference helps us to get connected from Kolkata, also in future if there's possibility kindly allow us them to get connected. We want to get connected your company through this video channel. Thank you and all stay safe. Namaskar.

Ajay Pratap Singh: Thank you, Mr. Bakshi. We have our 15th shareholder Mr. Pramod Kumar Jain who has registered himself for the speaker, but we understand that due to some reason he has not joined this meeting.

So now I will request the 16th and last shareholder Mr. Surinder Kumar Arora to ask the question Mr. Arora.

Surinder Kumar Arora: Chairman sir, namaskar. Myself Surinder Kumar Arora, I'm attending this meeting from Noida. Sir saabne bahut taarif ki hai mein kuch aur nahi kehna chahta hu. Sir IPO se paisa double ho gaya, isse jyada kya khushi ho sakti hai. Aur sir mujhe umeed hai ki main Sona Koyo mein shareholder tha jis tarique se usme growth hui usse shareholder ka faida hua. Agli AGM hogi toh humari price four figure ko touch karegi. Aisi shubhkamna aur aisi sir mein icha karta hu. Sir mujhe ek chota question hai ki apni CSR activity ke liye hum log kya kar rahe hai. Uske baare mein thoda bataye. Baki sir secretarial department ke Ajayji ne aur puri team ne jis prakar se is meeting mein jodne ke liye sahiyog diya hai sir woh kabile tariff hai. Bhagwan aap sab ki tabiyat bilkul perfect rakhe isi shubhkamna ke saath dhanyawad. Thank you sir.

[Translation: Chairman sir, namaskar. Myself Surinder Kumar Arora, I'm attending this meeting from Noida. Sir, everyone has praised a lot, I do not want to be left behind. I joined you since the IPO. My money has doubled, there can't be a greater joy than that. I am hopeful that I was a shareholder in the last company also, in Sona Koyo, the way it grew, and benefitted the shareholder, I am hopeful that when the next AGM is held our shares will reach greater heights.

I have a small question, what are we doing for our CSR activity, please talk a little bit about that. Otherwise the way the Ajay ji and the entire team has risen to the occasion to hold this meeting is very commendable. May god keep you in perfect health. Thank you, sir.]

Ajay Pratap Singh: Thank you, Mr. Arora. I thank all the speaker shareholders for their questions. I will now request our Chairman Mr. Sunjay Kapur to take the proceedings of the meeting further and answer the queries raised by the members. Mr. Kapur.

Sunjay Kapur: Thank you, Ajay. And thank you to all the shareholders for all their faith, confidence and compliments to us as a management, the Board and to the entire team and all the employees of Sona Comstar.

Let me begin by answering some of the questions in the order that I have noted them in. There was multiple questions with regard to

dividend. Let me say that we will take a decision closer to the end of the financial year when it comes to dividend and we will inform the shareholders of this.

With regard to rising input costs. Yes, this is definitely a challenge. With regard to steel, it is mostly a pass through to our customers and therefore, we are hopeful that we will retain the margins that we have so far and continue to pass through the steel input costs, which is a raw material that is rising.

With regard to the semiconductor issue, this is a global challenge. The auto component or the automotive industry as a whole is only a 7% buyer of semiconductors from the entire semiconductor production globally. This is definitely a challenge. The way to look at this is the auto component industry has the ability to balance out, which customers it supplies to.

For example, in the farm equipment space, there is no use of semiconductors. So if you're supplying to farm equipment, definitely this is not an impact. However, in passenger vehicles and other vehicles this is a challenge. A different OEMs are facing different challenges with regard to procurement of semiconductors and we need to continuously keep a watch on where production is going up and down and manage our production in that manner. However, I'm happy to say that as a management, the management team has taken this into account when making financials and building our plans for the future.

With regard to monitoring of management by the Board, we have a very detailed monitoring mechanism where we monitor the financials, we monitor the risks involved, etc. And the Board very actively participates in this process. And therefore, we're confident that the management is doing a great job. And this is reflective of our financial results as well. With regard to margins, they pretty much even out between domestic and foreign business. So I'll leave it at that.

With regard to PLI scheme, definitely this is a very encouraging scheme by the Government of India. It encourages export champions, it encourages Indian manufacturers to create a manufacturing base in India for the world. We are yet to receive the details of the PLI scheme. And until the PLI scheme details are announced, I will not be able to make any comment on how we will leverage or benefit from the scheme. We definitely will look at the advantages this scheme provides

to companies like ourselves, which have a large export business or business outside of India.

With regard to supply chain disruption, I feel that I've already addressed this issue. There is a disruption in terms of semiconductors, in terms of logistics, in terms of container shortage, etc. However as a management, the management team has taken into account all these disruptions and is working towards managing this very well. I will request Ajay you to talk about ESG. And I request Vivek maybe to touch upon the product roadmap and any other issues with regard to global markets. Sat, you can please touch upon the E motors, they are the motors for electric vehicles and how they're faring.

And finally with regard to somebody did ask a question about listing in other markets. I think it's too soon to say. We've just begun our journey here. And we hope for a successful journey. Yes, so let's see how that goes. So thank you and I'll hand it over first to Ajay and then to Vivek.

Ajay Pratap Singh:

Thank you, Mr. Kapur. On the ESG, I would like to inform the members that in the last meeting that was held on the 6th of August 2021, the Board of Directors of the company has constituted a committee and the disclosure has already been made in the annual report.

Now, the ESG, the Government has also mandated the ESG reporting from the next year. But apart from that reporting, the company is really concerned about all the three issues be it environment, governance or the social part. We wanted to make it as a part of life and we are working on this. We are not able to say much in detail at this stage. But we can assure that we will do the reporting in detail and go beyond what the regulatory framework provides for this ESG reporting. Thank you.

Vivek Vikram Singh:

Yes, so on the strategy roadmap and the product roadmap, they are both the same. We are, as you know, and we presented in our last earnings call approaching the market from both ends of electrification. With our Driveline business we are targeting the high power density, high torque which is 100 kilowatt and above passenger vehicle market, while from our motor division, we are targeting right now the electric two-wheeler and three-wheeler market, because that's our strength, low voltage, but high power density.

What we intend to do further is our Driveline business penetrate downwards into the small car segment. While in the motor business our intent is to develop more and more products which service the high voltage traction leads. So beginning with small, hybrid and then going

on to full battery electric vehicle in the small car space, that's the trajectory.

In the gear business, we are also looking at developing different shapes of gears that can eliminate machine gears completely, for example, the ground wheel building market, we're also looking at designing differentials in such a way that form functions like electronic differential locking, etc. can be achieved by the gear design itself, what is called Active Biased Differentials.

In the controller space, we are looking at designing our very own controllers that control the mechanism and/or functioning of the motors, the energy flow plus the functions like thrust, reverse, forward, braking, etc. In that our intent would be to design more and more competent and complex controllers for large voltage traction applications. So that's our product roadmap, all of it leads towards what we call the integrated view for e-Axle or one drive unit, which can solve the entire needs of the electric vehicle. You attach battery and wheels and motion or propulsion need should be fulfilled by that product.

That product, what we call is in a way the Holy Grail, but reaching that product may not be the most important thing. It's all the lego pieces that go into making up that product which are more important. So that we can allow all of our customers to choose what configuration they would like, to what extent they want to keep things in-house versus outsource. I think this ability and this flexibility to go from the basic building blocks, which is the gear and motor to go into the full system, that ability is what makes us stand out and we will continue to build on this capability. So that's our strategy in a nutshell for the next five-year product journey.

Sunjay Kapur:

Thanks Vivek. There was one question on the EV ecosystem. Just quickly I'll touch upon that. With regard to the rapid increase of electric vehicles, when we look at this market as in our company, we look at it from a global perspective. And globally, the EV ecosystem is being developed very rapidly. In India too with all the initiatives that the government is focusing in towards electric vehicles.

We hope that the EV ecosystem with regard to charging etc. will catch up very soon. Of course, the low hanging fruit is the three-wheeler and the two-wheeler industry followed by then other passenger carrying goods, vehicles, last mile connectivity eventually going into passenger cars. I think sorry, there were a couple of questions in finance. Rohit, I

request you to address those you have those questions on the chat box. And then Sat talk about the EV -- two-wheeler EV motor.

So Rohit with regards to balance sheet with regard to CapEx.

Rohit Nanda:

Yes. So, there was one question related to improvement in the asset quality and capital improvement. I'm just assuming the question is around the capital structure of the balance sheet. So, we are a conservative company when it comes to the capital structure. So, we generally do not borrow too much.

In fact, we have paid back our entire long-term borrowings out of the IPO proceeds, but since there is a large enough CapEx, which is lined up this year. So to that extent, we will have some debt come back on the balance sheet. So we -- I mean that obviously we'll have some more debt. And therefore, from a capital structure standpoint, I think that will eventually be a more optimal also given the way we look at the balance sheet. ELAR asset quality and EBIT rate is very, very high being at the balance sheet.

There was another question around the capacity utilization. So, in the first quarter, our gear capacity utilization was around 80%. On the differential assembly side it was 100% plus. And on the motor business side, if I consider the entire global capacity utilization was in the range of 50%.

There was one question around utilization of the Vivad se Vishwas scheme. So no, we did not need to opt for Vivad se Vishwas scheme. Regarding PLI scheme, since it's not announced yet, but we do intend to participate as and when it is announced we would definitely like to participate and be benefited out of this. Since it is not announced, so we are unable to comment as to what will be the impact on the P&L, which will be a positive impact for sure.

Then there was one question around Corona impact. So, yes, we in spite of all the best efforts and the fact that all the employees of the company who can be vaccinated are vaccinated today, we did lose one life. So, the family has been compensated with five years of CTC and more benefits under the insurance policies etc. which the company takes on the employee life. I think that's pretty much it, some of the questions Sunjay has also answered already related to QIP and dividend, etc.

Sunjay Kapur:

Thanks, Rohit. Sat, there was a question on how the motors are faring in the electric two wheelers. Do you want to answer that please?

Sat Mohan Gupta: Sure. Yes. I mean, we have a product for most of the two wheelers which uses hub wheel motor or the drive motor. Right now, we are in production for both the motors and we are supplying to the OEMs who are with us. We're in discussion with many OEMs right now, and we hope to increase our share in the market even today. I mean we are with pretty well placed with a couple of customers. And the third customer's production will start in few months' time. So we are at the right time and we are at the right place. And we will continue to explore more customers and increase our business share.

Sunjay Kapur: Thank you. Mr. Deshmukh, there is a question on CSR spend and how we're spending on CSR. Could you answer that question please?

Kiran Deshmukh: Sure. So CSR is an extremely important part of our strategy. And there are three things -- major things that we have done during the last year. Number one, because of COVID a lot of hardship faced by people. So we provided over a million food packets to distressed, migrant labour and people who were below the poverty line. We have supported schools in our neighbourhood by providing help to them, by providing toilets in the schools and we have provided a smart classroom to a school in our neighbourhood.

Finally, on the innovation. We have focused on innovation and we are supporting Innovation Hub at Ahmedabad. And at IIT Delhi, we are supporting two start-ups who are doing work in developing e-mobility solutions. So we have also given some grant to them. And we are mentoring these projects. So that they fructify into commercial production.

Sunjay Kapur: Thank you. Ajay, I think we've answered all the questions unless I've missed something?

Ajay Pratap Singh: No, I think we have answered all the questions, if there is any question remaining, that we can answer separately to the members.

Sunjay Kapur: Thank you, and please make sure you send a hardcopy to all the shareholders that have requested one.

Ajay Pratap Singh: Sure sir.

Sunjay Kapur: So I will move forward now. I now request the members who have not voted earlier to cast their vote on matters contained in the AGM notice. The e-Voting facility will remain active at the NSDL e-Voting platform for the next 15 minutes to enable members to cast their vote. Mr. Ajay Singh has already briefed you on the process to vote at this meeting.

The consolidated report of remote e-Voting and e-Voting during the meeting will be announced within two working days from the conclusion of the meeting and made available on the website of the company NSDL and also stock exchanges.

The meeting would stand concluded within the stipulated limit of 15 minutes from now. I once again thank each one of you for attending this AGM today. I sincerely wish you and your family members stay safe and healthy in the times ahead. Thank you very much and have a good day. We thank all the speaker shareholders for their questions and comments. Thank you.

Ajay Pratap Singh:

Thank you, Mr. Kapur. Thank you, Board members and the management team and the shareholders for taking time. Now the e-Voting for the shareholders who have not voted earlier is open for another 15 minutes as mentioned by Mr. Kapur. So we will request the members to cast their votes. Thank you very much.
