

Transcript of 16th Annual General Meeting (“Meeting/AGM”) of Sintercom India Limited held on Thursday, 10th August, 2023 through Video Conferencing (VC) / Other Audio- Visual Means (OAVM)

- **Ms. Anuja Joshi – Company Secretary & Compliance Officer, Sintercom India Limited:**
- Good evening, everyone. I, Anuja Joshi, Company Secretary and Compliance Officer welcome you all on behalf of the Chairman and the Board of Directors to the 16th Annual General Meeting of shareholders of Sintercom India Limited.
- In view of the guidelines issued by Ministry of Corporate Affairs and SEBI, this Annual General Meeting is conducted through video conference and other audio-visual means. The company has provided the facility of live webcast and you can view the same on NSDL website. Your company has provided the facility of e-voting which was open from 07th August to 09th August. The members who have not cast their vote via e-voting will be able to cast their vote now during the meeting. Shareholders, please note that there will be no voting via vote of hands. Shareholders participating in the AGM may also ask their questions by chat box available in the NSDL Portal. Such questions would be answered during the question answer session.
- Thank you all for joining us today.
- I confirm that requisite quorum is present via video conferencing. I call the meeting to order with the permission of the chair.
- **Mr. Hari Nair – Chairperson, Sintercom India Limited:**
- Please continue.

- **Ms. Anuja Joshi - Company Secretary, Sintercom India Limited:**
- Thank you sir, before we proceed with the meeting, let me introduce the Board of Directors and the KMPs of your company.
 1. Mr. Hari Nair, Chairperson of the Company.
 2. Mr. Jignesh Raval, Managing Director of the Company.
 3. Mr. Satish Barve, Non-Executive Director.
 4. Mr. Madan Godse, Independent Director.
 5. Mr. Dara Kalyaniwala, Independent Director and Chairperson of Nomination Remuneration Committee.
 6. Ms. Madhavi Pandrangi, Independent Director and Chairperson of Audit Committee.
 7. Mr. Pankaj Bhatawadekar, CFO.
 8. Mr. Shripad Kulkarni, Partner Patki & Soman Chartered Accountant Statutory Auditors of the company.
 9. Mr. Sunil Nanal, Kanj & Company LLP, Secretarial auditors of the Company are present for the meeting.

Advisory for the shareholders:

- All the members who have joined in this meeting are by default placed on mute by the host to avoid any disturbance arising from background noise to ensure smooth and seamless conduct of the meeting. Since the meeting is held by VC, physical attendance of the members. Accordingly, the facility to appoint proxies is not available in the meeting.



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- The Notice of the 16th AGM along with Copies of audited Standalone Financials statements for the financials year ended 31st March, 2023 together with Reports of Board of Directors and Auditors thereon have been emailed within the statutory period to the Shareholders whose email id were registered with the Company and with the Link Intime India Private Limited or their Depository Participants. With the permission of the members, I am now taking the notice of the 16th AGM and the Board report which was circulated to the shareholders as read.
- The Statutory Auditors report and the Secretarial Auditors' Report is already been circulated along with the Notice calling this AGM and Statutory Audit Report does not contain any qualification, observation or other remarks on financials or matters which have any adverse effect on the functioning of the Company and therefore we take it as read. For Secretarial audit report with your consent, will take it as read except the observations as contained in the Secretarial Auditors' Report and I would like to draw the attention of members on the Comments given by the Board of Directors in their report.
- **Qualified Opinion (1)**

Qualified Opinion 1: There were no changes in the remuneration of the new incoming auditor. Hence, the remuneration figures were not specifically mentioned in the Explanatory Statement to the notice of the AGM. And, the authority was given to the Audit Committee and to the board of directors, to propose the remuneration to the auditors.
- Now let me take you through the Agenda of the AGM:
- There are two agendas for the shareholders' approval today.
 1. Adoption of the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023 together with Reports of Board of Directors and Auditors thereon, to be passed as ordinary resolution;
 2. Appointment of Mr. Hari Nair who retires by rotation as a director and being eligible, offer himself for re-appointment, to be passed as ordinary resolution;



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- The objectives and the implication of the resolutions proposed in this AGM are already set out in the notice of AGM and explanatory statement for the sake of brevity are not been repeated.
- Now, I request our Chairman, Mr. Hari Nair to share his thoughts on Sintercom. Over to you, Sir.

Mr. Hari Nair – Chairman, Sintercom India Limited:

- Thank you Anuja. Good evening. Welcome to the 16th Annual General Meeting of Sintercom India Limited, being conducted virtually, and thank you all for joining. It is indeed an honour and privilege to address you as Chairman of the board.
- During the year under review, the after effects of the pandemic, coupled with the Russia-Ukraine war, posed many challenges for economies around the world. The geopolitical tensions led to the surge in inflation, prompting aggressive monetary tightening policies in most countries. Looking ahead, overall global growth is projected to slow down to 2.8% in 2023, from 3.4% in 2022, led by a pronounced slowdown in developed markets. In contrast, emerging markets led by India, are likely to provide strong growth in the next decade. India's growth continues to be resilient, underpinned by the government's capital outlay and buoyant private consumption, and is expected to continue to be the fastest growing large economy for the third consecutive year at around 7% growth rate.
- In India, during fiscal year 2022-23, government initiatives, along with the central bank's monetary policy, enabled the country to navigate geopolitical tensions effectively to emerge as the fastest growing global economy. Considering India's resilient domestic demand and the RBI's success in containing inflation, the future outlook remains optimistic. Moreover, India continues to strengthen its position with prudent fiscal policies and agile interventions by the government.
- Reflecting the sectoral review, according to the Society of Indian Automobile Manufacturer's data, overall 8.35 sales in the domestic market grew by 20.4% in fiscal year 2022-23, and passenger vehicle volumes surpassed record high volumes seen last in fiscal 2018-19. Most supply side issues improved, which enabled the automotive sector to register strong growth this fiscal year.



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- Despite a challenging macro environment during our last financial year, I'm extremely proud of the performance Sintercom was able to deliver during this period. Our foundational strength and the agility of our operating model, coupled with the unparalleled commitment and support of a resilient workforce, drove sales
- Growth of 37% year over year, well above the overall market. The financial year 2022-23 concluded with revenues of Rs. 822 million and an EBITDA margin of 13.8%. It is noteworthy that we witnessed steady improvements throughout the year, culminating in an EBITDA margin of approximately 17% in the last quarter of fiscal year 2022-23.
- At Sintercom, we perceive every challenge as an opportunity. It is with this optimism that we have navigated through many ups and downs over the years, and aspire to do so in the future. We believe, we are well positioned in the evolving market landscape, with a balanced product portfolio and selective strategic partnerships, to serve our customers' evolving requirements. With this positive outlook towards the future, we can achieve our objectives sustainably.
- With sustainability at the core of our business strategies, we have built a strong governance framework, with ethical operating processes that ensure the overall wellbeing of our people, and the communities in which we operate. We are dedicated to building economy and continuously making efforts to reduce our water waste and carbon footprints. We see a future where every form of mobility will be powered by cleaner, sustainable technologies, whether it is pure electric power trains, hybrid tracks, or traditional combustion engines. We continue to work on further optimisation of conventional drive technologies as we see further development potential in the efficiency of traditional internal combustion engines. We at Sintercom are working towards a goal to make traditional power trains ever more efficient and ecofriendly, while developing new products to support the industry's evolution towards alternate power trains. We want to take this path together with our customers and proactively contribute our expertise as a solution provider for their technological challenges. Innovative spirit, technological leadership is the essential foundations to this. For us, taking the path together also means focusing on our employees. They are the people who move our company forward a little further every day, sustained by their knowledge, commitment and their incredible ideas.



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- Enclosing, I wish to acknowledge the contribution of our dedicated workforce, the untiring efforts of our visionary leadership team and the invaluable support of our customers. I also remain thankful to our shareholders for their unwavering faith in our capabilities to script another chapter of growth in our exciting journey. My best to everyone to remain safe and healthy. Thank you.
- **Ms. Anuja Joshi – Company Secretary & Compliance Officer, Sintercom India Limited:**
- Thank you sir. Thank you for your company insights. Now, I request Mr. Raval, Managing Director of the company to give his comments
- **Mr. Jignesh Raval – Managing Director, Sintercom India Limited:**
- Thanks, Anuja, Thanks Anuja. Good evening and namaskar to all. I welcome you to the 16th Annual Meeting of Sintercom India Limited. Thanks for joining the digital platform. I extend a warm welcome to all the directors of the company, Statutory Auditor Patki & Soman Chartered Accountants, represented by Mr. Shripad Kulkarni, Partner. And Secretarial Auditor and Scrutinizer for this AGM – Kanj & Co. LLP. Represented by Mr. Sunil Nanal, Partner. They both are present at this meeting.
- FY22-23 witnessed several geopolitical challenges, including prolonged war, that resulted into volatile commodity prices, global inflation, supply chain imbalance. Although the energy and food crisis has been averted for now, apprehension over the talent inflation risk remains. Despite these headwinds, the Indian economy has shown resilience. Thanks to the strong domestic consumption, India has recorded highest growth rate amongst the G20 nations. The year 2023 was significant for the Indian economy, as it emerged as the world's 5th largest economy and set its sight on achieving a remarkable milestone of 5 till GDP by FY27.
- In the previous year, FY22-23, passenger vehicles sales grew by 26.7 as cheap shortage erased and demand of 14.17 utility vehicles surged. Despite inflation pressure, combination of improved cheap supply, higher income, and pent up demand, particularly for SUVs, supported sales in the Indian auto sector. Two-wheeler sales which serves as an indicator for the financial wellbeing of lower middle income households, also increased by 16.9%, still below the big record level of 2014-15.
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- I am delighted to share, despite the adverse micro economic factors, Sintercom experienced strong growth during the year. The financial year concluded by registering above the market performance of 37%, with revenue of 822 million and EBITDA margin of 13.8%. There is a significant growth in the EBITDA margin of 54% with the previous year, and the last quarter i.e. Q4 of FY22-23, the EBITDA margin has delivered to 17% compared to other previous three quarters. The company has reached a capacity utilisation level up to 50-55% during the year. We see the strong order book position. Based on award program, and based on the book of business, the utilisation level will reach 65-70% in the current financial year, and above 80% in the next financial year. We continue to strengthen our relation with Miba Sinter, Austria, our investor and technology partner.
- During the year, we completed a conversion of 2nd tranche of Compulsory Convertible Debentures (CCD) into equity shares, which were issued to Miba Sinter Holding GMBH & Co. in the previous year ending March 2021. Following this conversion, Miba holding in Sintercom has reached 35.7%. We look forward to leveraging Miba experience and expertise to introduce state of the art technology to Sintercom, as we pursue new business opportunities together.
- I would like to present your business updates.
- Award Program – As I had mentioned in the previous Annual General Meeting, the Mass Balancer Assembly 16.50 the gear for EBD Gen 3 engine has been successfully completed and the SOP has started for the said program. We see ramped up schedule for the same from the current quarter in the fiscal year 2024. The supply to DANA Graziano 17.11 off-road equipment also commenced during Q4.
- Business Development – I would like to take the opportunity to highlight our three-way marketing approach. We are focusing on our three main commodity segments, namely, gear commodity, industrial application and EV applications.
- Gear commodity – Gear, primarily driven for high-capacity two-wheelers above 180 CC applications, using dense guard technology. The products are under final validation, and expected to serial production from October 2023. I am happy to announce that we have received a business nomination for development of transmission gear for Tata Motors through Taco Punch Powertrain. The development has started and SOP is likely to be mid-2024. This year we have added, as a new customer base to Sintercom portfolio, Tata Automotive.



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- Industrial Product – After successful entry in the oil & gas segment, we are excited with our wide range of opportunities in this segment in the field of home appliances, electronic appliances. We are working closely with some of our customers on the finalisation of business nomination and will bring to you as we as we receive the business nomination.
- EV Application – We started working on our EV transmission, or even two-wheeler (hub motor) or 18.46 transmissions with one of the leading OEMs in India, to develop the gears as well as the SMC 18.52 through soft magnetic particle technology.
- As a socially responsible organisation, your company is committed to the greater good of society, water conservation, and preventive healthcare for women and skill rural youth and rural development are focused areas for Sintercom’s CSR activities or initiatives.
- In the end, I thank for their unwavering commitment towards the company’s vision, mission and values. I extend my gratitude towards the customers, government, bankers and partners, for their ongoing cooperation, and to all the directors and shareholders I express my sincere appreciation for your continued trust. Thank you all for your patient listening. I look forward to have a personal interaction with many of you in the times to come. Jai Hind!
- **Ms. Anuja Joshi – Company Secretary & Compliance Officer, Sintercom India Limited:**
- Thank you sir. A gentle reminder for all the participants. If there are any questions, that can be asked via the chatbox available and the same will be answered on the conclusion of this meeting.
- The results of e-voting for the above two agendas, along with the Scrutinizer’s Report, will be communicated to National Stock Exchange where the equity shares of the company are listed, within 48 hours of the conclusion of this meeting. The company has appointed Mr. Sunil Nanal – Partner, Kanj & Co. LLP., Practicing Company Secretary as a scrutinizer to process this e-voting in a fair and transparent Manner. We have received on request of Mr. Saket Kapoor to register himself as a speaker today. We’ll just check whether he’s present for this meeting.

- **Technical Team:**
- Ma'am, Saket Kapoor sir is not there in this meeting.
- **Ms. Anuja Joshi -- Company Secretary & Compliance Officer, Sintercom India Limited:**
- Okay, thank you. There are no questions.
- **Mr. Pankaj Bhatawadekar - CFO, Sintercom India Limited:**
- There are no questions; there is a suggestion from one of our shareholders. He has requested to upload the Chairman's speech on the website. So, we will certainly do that sir.
- **Ms. Anuja Joshi -- Company Secretary & Compliance Officer, Sintercom India Limited:**
- The same is noted. As we have not received any further questions, and the speaker is also not present for this meeting, we will take the meeting to closure. I declare the proceedings of the 16th Annual General Meeting as closed. I thank all the members for their active participation and the support extended to the company. Thank you very much for joining us today.

End of Transcript