

Transcript- Uniparts India Limited

Annual General Meeting- Friday, September 15, 2023, at 4:30 P.M. (IST)

Jyoti Singh, Moderator welcomed the Board Members, KMPs and Shareholders at the Annual General Meeting and handed it over to Mr. Gurdeep Soni for conducting the meeting.

Mr. Gurdeep Soni, Chairman and Managing Director of Uniparts India Limited, occupied the chair and conducted the proceedings of the Meeting with warm welcome to all at the 29th Annual General Meeting of the Company and stated:

This Meeting is held through Video Conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India. The Company has taken all feasible steps to ensure that the Members of our Company are provided with an opportunity to participate in the Annual General Meeting and vote. The Company has provided adequate Videoconferencing facilities to its members to participate in this meeting and vote.

The requisite quorum is present and, therefore, I call the Meeting to order.

Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which Directors are interested, the Auditors' Reports and the Secretarial Audit Report of the Company for the year ended 31st March, 2023 and other documents referred in the Notice convening this meeting are available and will remain accessible to the Members for inspection electronically, if they so desire till the conclusion of the meeting.

I wish to introduce, for the benefit of new members, my colleagues on the Board of the Company:

- Mr. Paramjit Singh Soni- Executive Director and Vice Chairman
- Mr. Herbert Coenen- Non-Executive Director
- Mr. Sharat Krishan Mathur- Independent Director- He is also Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee
- Ms. Shradha Suri and Mr. Sanjeev Chanana- Independent Directors

All the directors of the Company are present at this meeting except Mr. Alok Nagory who is not able to attend due to pre-occupation.

Apart from directors, we have with us: -

Mr. Sudhakar Kolli, Group Chief Operating Officer

Mr. Rohit Maheshwari, Group Chief Financial Officer

Mr. Jatin Mahajan, Company Secretary and Compliance Officer

We also have with us the representatives of our Statutory Auditors, Secretarial Auditor, and the Scrutinizer.

Ladies and Gentlemen,

Notice dated May 25, 2023, convening this Annual General Meeting and a copy of the Annual Report for the financial year ended March 31, 2023, have already been circulated to Members of the Company electronically.

With your permission, I shall take the same as read.

Mr. Jasmeet Singh, Shareholder proposed that it can be taken as read which was seconded by Mr. Pradeep Sood another shareholder.

Gurdeep Soni- Thank You

The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2023, do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the Reports are not required to be read out, as provided in the Companies Act, 2013.

“Dear Members,

It gives me great pleasure to welcome you to the Twenty Ninth Annual General Meeting of your Company.

We set out on our journey, over 3 decades ago, with the goal of building a driven, versatile and global institution that serves customers worldwide. At the foundation of our organization are the guiding principles of Passion, Innovation, Integrity, Excellence, and Teamwork. We have worked diligently and with passion over the years to establish ourselves as a preferred supplier to Global Off Highway Vehicles (OHV) market.

We at Uniparts believe that:

- Leading market presence in off-highway systems segment,
- Global business model,
- Engineering and design capabilities,
- Robust financial performance metrics and
- Experienced and very passionate team

are key strengths which will continue to drive Uniparts forward and we believe that the foundation is well set for a more exciting future ahead.

Your company is a global manufacturer and supplier of engineering systems and solutions catering to global original equipment manufacturers (OEMs) in the off-highway vehicles (OHV) segment, in the agricultural equipment and construction equipment industries. The Company’s primary products include three-point linkage assemblies (3PL), precision machined parts (PMP), hydraulic cylinders, power take-off devices and fabrication parts for agriculture and construction equipment. Uniparts operates in strategically located seven manufacturing units across India and USA.

The Company has state-of-the art equipment for manufacturing operations such as forging, machining, heat treatment, welding, surface finishing, grinding, induction hardening etc. along with well-equipped labs and a 3PL life cycle testing facility. The Company also has three warehouse facilities (two in the USA and one in Germany) for its overseas customers. Company’s

dual-shore capability allows it to service customer requirements from alternate locations, providing customers the benefit of regular supply and competitive manufacturing operations.

The world today is prioritizing food security as well as infrastructure build-out and modernization more than ever before. These trends are likely to continue in the long term and we at Uniparts believe that we have a robust global business model to cater to these trends through our off-highway focus, well positioned product offerings and marquee customer portfolio.

Uniparts is present both in the OEM and Aftermarket segments in the off-highway industry with a strong global operating model and wide customer base comprising of 125+ customers from across the globe. Our products are shipped to over 25 countries worldwide.

Our efforts continue to be focused on executing our medium-term business plan. We stay course on our operational endeavours, leverage our deep customer relationships, global business model and strong financial profile to optimize the opportunities emerging in the rapidly changing and evolving operating environment.

Now, let me talk briefly about the macro-economic overview and the industry: -

The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021. The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, higher interest rates, global liquidity squeeze and quantitative tightening by most global central banks including the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade, and increased energy costs. The global economy is projected to grow a modest 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). However, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and resilient US consumption outlook (despite high inflation) are some positive factors in the global economic outlook.

In terms of End-industry highlights and overview (Off-Highway Vehicles):

The off-highway vehicles (OHV) industry, which is the core focus for us at Uniparts, is estimated to be over US\$ 200 billion in size and our two core product verticals of 3 Point Linkage (3PL) and Precision Machined Parts (PMP) address a market size of over US\$ 1 billion. Uniparts has a leading market share in both of these globally. In addition, the adjacent product systems of Power Take Off (PTO), Hydraulic Cylinders and Fabrications have an estimated market size of over US\$ 10 billion.

Your Company is present in the OEM and Aftermarket segments with a strong global business model and marquee customer base. The calendar year 2022 and Fiscal year 2022-23 ended on a strong note for the global off-highway industry with most leading OEM and Aftermarket players reporting multi-year high revenues and profitability.

The global tractor market was estimated to be approximately 2.1 million units (in 2021) with a projected growth rate of 4.1% up-to 2026.

The global construction equipment market was estimated to be approximately 1.3 million units (in 2021) with a projected growth rate of 3.3% up-to 2026.

Now, let me give you an insight on various achievements of your company during the year.

The Company has made its public offer of Equity Shares during the quarter ended December 31,2022, in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, wherein 1,44,81,942 Equity Shares were offered under offer for sale by certain shareholders of the Company. The Company's IPO received an overwhelming response and was oversubscribed by 67.14 times under QIB category, 17.86 times under non-Institutional category, 4.63 times under retail category and 25.32 times under overall categories, reflecting a sizable investor interest for the issue. The Equity Shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges") on December 12, 2022. We are gratified and humbled by the faith shown in the Company by the

market participants. We are also grateful to our customers for their trust shown in our capabilities to consistently deliver high-quality services.

The company recorded its highest ever revenue from operations INR 1366 crore and Profit After Tax 204.8 crore in a completed fiscal. Highest ever cumulative cashflow from operations INR 252 Cr in a completed fiscal.

The Company declared Interim Dividend of Rs. 8.25 Per Share and Rs. 6 Per Share respectively during the financial year 2022-23.

Move on to the financial highlights of the Company for the fiscal year 2022-23:

Revenue from operations for FY23 came in at INR1366 crores which is an increase of 11.3% over last year. Reported EBITDA for FY23 was INR313 crores which grew year-on-year by 15.3% while EBITDA margins increased by 22.9% for full year FY23, respectively.

PAT came in at INR204.8 crores which is an increase of 21.3%. As also mentioned earlier, the operating cash flow generation for full year FY23 was INR252 crores. This is a result of strong PAT as well as improved working capital performance. As a result, Uniparts balance sheet is net debt free at the end of FY23 with group net cash position at approximately INR46 crores. Basic earnings per share for full year has been INR 46.30 per share.

On behalf of the Board of Directors, I would like to express our sincere appreciation for the continued and consistent support received from all the members of the Company, from our business partners, associates as well as regulators, banks and other business stakeholders.

I would also like to thank my colleagues on the Board for their continued guidance, support and contributions made to the Company.

On behalf of the Board, I also wish to acknowledge the Committed services from the employees of the Company at all levels during the year.”

Now let me handover to Jatin Mahajan and Rohit Maheshwari to proceed with the Annual General Meeting.

Jatin Mahajan - Thank You Sir.

In accordance with the Companies Act, 2013, and the SEBI Listing Regulations, 2015, the remote e-voting facility was provided to the Members to cast their votes from September 12, 2023, to September 14, 2023.

The facility for voting electronically will be made available at the end of this Meeting to those members who have not cast their vote through remote e-voting. The icon for e-voting is available on the Meeting Page, next to the chat box.

The Board of Directors has appointed Shri Nilesh Jain, a Practicing Company Secretary, as Scrutinizer for giving a report on e-voting and the Scrutinizer is present at the Meeting.

I now move the resolutions contained in the Notice.

The Objective and Implication of each resolution is for ensuring compliance with Companies Act, 2013.

ITEM NO. 1:

To receive, consider and adopt:

- a. the audited financial statement of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and the Auditors thereon; and
- b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2023, and the report of Auditors thereon.

(by way of an Ordinary Resolution)

May I request members to propose and second this resolution

The resolution was proposed by Mr. Jasmeet Singh, Shareholder and seconded by Mr. Pradeep Sood.

ITEM NO. 2:

To confirm (a) First Interim Dividend of Rs. 8.25 per equity share of face value of Rs. 10/- each and (b) Second Interim Dividend of Rs. 6 per equity share of face value of Rs. 10/- each.

(by way of an Ordinary Resolution):

May I request members to propose and second this resolution

The resolution was proposed by Mr. Chetan Chadha, Shareholder and seconded by Mr. M P Bhutani.

ITEM No.3.

To appoint Mr. Paramjit Singh Soni (DIN: 00011616), who retires by rotation as a Director.

(by way of an Ordinary Resolution):

May I request members to propose and second this resolution

The resolution was proposed by Mr. Gagan Arora, Shareholder and seconded by Mr. Sanjay Khatpal.

ITEM NO. 4:

To approve the remuneration payable to M/s Vijender Sharma & Co. for the Financial Year 2023-24.

(by way of an Ordinary Resolution):

May I request members to propose and second this resolution

The resolution was proposed by Mr. Jasmeet Singh, Shareholder and seconded by Mr. Pradeep Sood.

ITEM NO. 5:

To approve payment of remuneration to Non- Executive Independent Directors by way of Commission.

(by way of an Ordinary Resolution):

May I request members to propose and second this resolution

The resolution was proposed by Mr. Chetan Chadha, Shareholder and seconded by Mr. M P Bhutani.

ITEM NO. 6:

To consider and determine the fees for delivery of any document through a particular mode of delivery to the member(s) of the Company.

(by way of an Ordinary Resolution):

May I request members to propose and second this resolution

The resolution was proposed by Mr. Gagan Arora, Shareholder and seconded by Mr. Sanjay Khatpal.

Jatin Mahajan- Now, the shareholders may ask questions one by one. Thereafter, Mr. Rohit Maheshwari, Group CFO, will reply to your queries.

Thereafter, the Shareholders asked their queries which were duly replied by Mr. Rohit Maheshwari, Group Chief Financial Officer.

Rohit Maheswari- Let me handover to Mr. Gurdeep Soni, Chairman of the Meeting to proceed the AGM.

Dear Members,

I, on behalf of the Board, would like to thank each and every member for their active participation at the meeting and also for their suggestions and comments.

I would also like to mention that we have received comments and queries in the chat box on the meeting page. The same will be responded by our secretarial department separately.

I now request Mr. Nilesh Jain, Scrutinizer, to take charge and conduct insta poll voting.

The e-voting results along with the consolidated Scrutinizer's report will be placed on the website of the Company and on the website of the RTA. The result will simultaneously be communicated to the Stock Exchanges.

In conclusion, I am thankful to all the members who attended this meeting.

All items of business set out in the Notice of this Annual General Meeting having been concluded, a time period of 15 minutes would be available for voting at the Meeting after which this meeting will stand closed.

Thank you.

Jatin Mahajan- I would like to thank Mr. Gurdeep Soni- Chairman of the meeting, Board Members and to all the shareholders for attending the meeting.

The meeting concluded at 5:15 P.M. (IST).