

SHRIRAM PISTONS & RINGS LTD.

REGD. / H. O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI - 110 001



SHRIRAM

May 29, 2018

Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051

ISIN No. INE526E01018
Company Symbol: SHRIPISTON

Re: Clarification with respect to announcement dated 22.05.2018

Sir,

This has reference to your mail dated 23.05.2018 regarding the announcement made by our company with respect to approval of Scheme of amalgamation of M/s Shriram Automotive Products Ltd. (**SAPL**) with the Company.

It is submitted that pursuant to the Regulations 37 of SEBI (LODR) Regulations, 2015, we will be submitting the proposed Scheme of Amalgamation of Shriram Automotive Products Ltd., (**the Transferor Company**) with Shriram Pistons & Rings Ltd., (**the Transferee Company**) very soon, under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) for your approval.

As desired, it is submitted, in seriatim, as under:

1. Brief details of change in shareholding pattern of listed entity:

There will be no change in Equity Shareholding Pattern of the Transferee Company, Post-Amalgamation, as the consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares and balance by payment of cash consideration to the equity shareholders of the Transferor Company.

2. In case of cash consideration amount or otherwise share entitlement/exchange ratio:

As approved by Board of Directors, the amalgamation consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares and



balance by payment of cash consideration to the equity shareholders of the Transferor Company.

The fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of the Transferor Company in the proportion of equity shares held by them in Transferor Company, in the following exchange ratio:

- a) 24 (Twenty Four) Nos. of 4.2% fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each, of the Transferee Company for every 1 (one) equity share of Transferor Company,

And

- b) Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) by the Transferee Company, for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company

3. Rationale for amalgamation:

The amalgamation will result in better, efficient and economical management, help in increasing sales in both Domestic & Exports After Market, achieve cost savings, pooling of resources, reduction in administrative and operational expenses and greater control. The proposed amalgamation is expected to achieve the following objectives in particular:

- (a) Help in increasing sales in both Domestic & Exports After Market.
- (b) Economize on administrative and other expenses;
- (c) Increase the efficiency of combined business by pooling of resources and their optimum utilization, thereby availing synergies from combined resources;
- (d) Facilitate expansion of business offerings by the Transferee
- (e) Improve management focus and facilitate the unified control over operations;
- (f) Leverage the operational, capital and corporate synergies and help optimal utilization of resources viz business promotion, managerial pool, etc.;
- (g) Reduce overheads, administrative, managerial and other expenditure;



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- (h) Seamless availability of technical expertise and
- (i) Facilitate greater integration, provide greater financial strength, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.

4. Area of business of the entity(ies):

Shriram Pistons & Rings Ltd. (the Transferee Company) is engaged in manufacturing and marketing of IC Engine components viz. Pistons, Piston Pins, Piston Rings, Engine Valves & Engine Valve Components and Crank Pins etc. for OEM and Aftermarket in India and abroad.

Shriram Automotive Products Ltd. (the Transferor Company) is engaged in Marketing of Cylinder Liners/Cylinder Blocks, Connecting Rods, Filters, Clutch Plates, Crankshafts, Lubricants and several other Auto Components in Aftermarket in India and abroad.

5. Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arm's length"

The transaction falls within the definition of Related Party Transaction.

Accordingly, all matters relating to amalgamation have been dealt with at Arm's length based on valuation by Independent Chartered Accountant and Fairness Opinion there on by SEBI Registered Merchant Banker.

Being a Related Party transaction, amalgamation has been approved by Audit Committee in their meeting held on 22.05.2018 and recommended by the Audit Committee to the Board for its approval and subsequently approved by the Board of Directors.

6. Name of the entity (ies) forming part of the amalgamation, details in brief such as size, turnover, etc.

Shriram Automotive Products Ltd. (Transferor Company)

Shriram Pistons and Rings Ltd. (Transferee Company)

Details are given at **Annexure -1.**



7. Disclosure of relationships between directors (in case of appointment of Director)

a) It submitted that upon the coming into effect of this Scheme, the Directors of the Transferor Company, other than those who are already Directors in the Transferee Company (Mr. A.K. Taneja & Mr. Luv D. Shriram), will not be entitled to any representation on the Board of Directors in the Transferee Company by the virtue of the provisions of this Scheme.

b) However, in the ordinary course of business, the Board in its meeting held on 22.05.2018 has appointed two Directors in casual vacancy pursuant to resignation given by two Directors as under:

i) Dr. Peter Neu has been appointed as Non-Executive Director in causal vacancy caused due to resignation of Dr. Alexander Sagel.

Prior to resignation of Dr. Alexander Sagel, Dr. Peter Neu was alternate Director to Dr. Alexander Sagel.

Mr. Ralf Buschbeck has been appointed as alternate Director to Dr. Peter Neu.

ii) Mr. Kiyoto Tone has been appointed as Independent Director in causal vacancy caused due to resignation of Mr. Toru Suzuki.

There is no relationship between any of above appointed Directors with any of other Directors of the Company.

8. Brief profile (in case of appointment)

Brief profile of Dr. Peter Neu, Mr. Ralf Buschbeck and Mr. Kiyoto Tone is given at **Annexure -2**.

We hope you will find the above in order.

Thanking You,



Yours Faithfully,

(Naveen Agarwal)
Alternate Company Secretary

Annexure- 1

Brief particulars of the Transferee and Transferor Companies

Particulars	Transferee Company	Transferor Company
Name of the Company	Shriram Pistons & Rings Ltd.	Shriram Automotive Products Ltd.
Date of Incorporation	09.12.1963	02.09.1982
Details of Name Change	Originally incorporated under Companies Act 1956, in the year 1963 as Shama Pistons & Rings Ltd. having Registration No. 004084. On 19.10.1972 the Company was renamed as "Shriram Pistons & Rings Ltd" and continuing its existence under the said name bearing CIN L29112DL1963PLC004084.	Originally incorporated under Companies Act 1956, in the year 1982 as Canind Sales Pvt. Ltd. having Registration No. 14285. On 28.10.1991 the Company was renamed as "Shriram Automotive Products Pvt. Ltd" and with effect from 01.07.1997 became a public limited Company under the name "Shriram Automotive Products Ltd" and continuing its existence under the said name bearing CIN U34300DL1982PLC014285.
Registered Office	3rd floor, Himalaya House, 23 K.G. Marg, New Delhi -110001.	4th floor, Himalaya House, 23 K.G. Marg, New Delhi -110001.
Capital before Scheme	Authorised Capital: - 5,00,00,000 (Five Crore) Equity Shares of Rs. 10 each aggregating Rs. 50,00,00,000 (Rupees Fifty Crore Only) - 30,00,000 (Thirty Lac) Preference Shares of Rs. 100 each aggregating Rs. 30,00,00,000 (Rupees Thirty Crore Only) Paid up Capital: - 2,23,74,912 Equity Shares of Rs. 10 each aggregating Rs. 22,37,49,120 (Rupees Twenty Two Crore Thirty Seven Lac Forty Nine Thousand One Hundred Twenty Only)	Authorised Capital: - 2,50,000 (Two Lac Fifty Thousand) Equity Shares of Rs. 100 each aggregating Rs. 2,50,00,000 (Rupees Two Crore Fifty Lac Only) Paid up Capital: - 1,20,240 Equity Shares of Rs. 100 each aggregating Rs. 1,20,24,000 (Rupees One Crore Twenty Lac Twenty Four Thousand Only)
Net Worth as on 31.03.2018	(Rs. Million) 8,934.53	(Rs. Million) 153.96
Total Income F.Y. 2017- 18	(Rs. Million) 17,992.86	(Rs. Million) 1,287.31



BRIEF PROFILE OF APPOINTMENT OF DIRECTORS

Name of the Director	I		II
	Dr. Peter Neu	Alternate Director to Dr. Peter Neu Shri Ralf Buschbeck	Shri Kiyoto Tone
Date of Birth	31.10.1959	13.02.1964	03.04.1961
Nationality	German	German	Japanese
Occupation/ Expertise in Functional Area	- Business Administration from University of Saarbrücken and Koln - Doctorate from University of Saarbrücken in Business Administration - He has more than 23 years of experience in Automobile Industry	- Thermal and Hydraulic Mechanical Engineering from Technical University - He has over 26 years of experience in Auto Components Manufacturing Companies	- Bachelor's degree in Economics from Keio University - Masters in International Management from Thunderbird School of Management - He has over 32 years of experience of working in manufacturing Companies



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