



KIRLOSKAR ELECTRIC COMPANY LTD.,

Transcript of 76th Annual General Meeting of the Company held on Monday, the 14th Day of August 2023 at 11.00 AM through Video Conferencing

Moderator:

Dear shareholders, good morning. Welcome to the 76th Annual General Meeting of Kirloskar Electric Company Limited. For smooth conduct of the meeting, members will be on mute mode. Audio and video will be switched on only when they are called upon to speak at the AGM as per pre-registration. Please note, as per requirements, the transcript of the AGM will be available on the website of the Company.

I now hand over the proceedings to Mr Vijay R. Kirloskar, Executive Chairman of Kirloskar Electric Company Limited. Thank you.

Mr. Vijay R Kirloskar :
Executive Chairman

My fellow shareholders, a very good morning to you. We have the required quorum and I would like you to start the 76th annual general meeting of the Company. Hope all of you all are well. Before we start the proceedings of the meeting, I would like to state the meeting is held through video conference and in accordance with the circulars issued by the Ministry of Corporate Affairs. Members attending this AGM through audio-visual means shall be counted for the purpose of reckoning of the quorum under the section 103 of the Companies Act, 2013. The requisite quorum now being present, I call this meeting to order.

I now request my colleagues on the video conference to introduce themselves.

Mr. Anil Bhandari. I believe he is not here.

Mr. S N Agarwal?

Mr. Satyanarayan Agarwal: Independent Director	Hi, I am S. N Agarwal. I'm calling from Kunnur and I can see all of you and hear all of you, and there's nobody around me. Thank you.
Mr. Vijay R Kirloskar : Executive Chairman	I am just introducing the directors so there is no need for a formal roll call. Then. Dr Ashok Misra?
Dr. Ashok Misra : Independent Director	Hi.
Mr. Vijay R Kirloskar : Executive Chairman	Mr. Kamlesh Gandhi?
Mr. Kamlesh Gandhi : Independent Director	Morning everyone.
Mr. Vijay R Kirloskar : Executive Chairman	Mr. Ravi Ghai, who joined us back. We are very happy to have him.
Mr. Ravi Ghai : Independent Director	Hello
Mr. Vijay R Kirloskar : Executive Chairman	Mrs. Meena Kirloskar – Non-Executive Director
Mrs. Meena Kirloskar : Non-Executive Director	<i>Namaste</i> everybody. Good morning
Mr. Vijay R Kirloskar : Executive Chairman	Mr. Suresh Kumar, Non-Executive Director
Mr. Suresh Kumar : Non-Executive Director	Morning everyone.
Mr. Vijay R Kirloskar : Executive Chairman	Mr. Anand Hunnur, who is our Managing Director
Mr. Anand Hunnur : Managing Director	Good morning everybody.

Mr. Vijay R Kirloskar : Executive Chairman	Mr. Sanjeev Kumar, who is our Director of Finance and CFO.
Mr. Sanjeev Kumar : Director (Finance) & CFO	Morning
Mr. Vijay R Kirloskar : Executive Chairman	And last but not the least, Mr. Mahabaleshwar Bhat, who has joined us a year ago, who is the company secretary and handles all the legal matters also.
Mr. Mahabaleshwar Bhat : Company Secretary	Good morning
Mr. Vijay R Kirloskar : Executive Chairman	Apart from the representation are the Statutory Auditors, Mr. K. N. Prabhashankar & Co. are here, and Secretarial Auditors S. P. Ghali are also present at this meeting. I now request the Company Secretary, Mr. Mahabaleshwar Bhat to provide the general instructions to participate in this meeting.
Mr. Mahabaleshwar Bhat : Company Secretary	Good morning, everyone. The facility for joining this meeting through video conference or other audio-visual means is made available for the members on first come, first served basis. The statutory registers and documents as required placed before the AGM are available electronically for the inspection by the members during this AGM. As the AGM is being held through video conferencing, the facility for appointment of proxy is not applicable. Members who have joined this meeting by default will be placed on mute to avoid the disturbance from the background noises and to ensure smooth and seamless conduct of the meeting.

The notice of the 76th annual general meeting and the annual report, including standalone and consolidated financial statements for the year ended 31st March 2023, along with Board's report and Auditor's reports, thereon have been sent through electronic mode to those members whose email address are registered with the Company or with respective depositories. These documents have been made available on the Company's website. The Company has received requests from few members to register them as speakers

at the AGM. Accordingly, the floor will open for those members to ask the questions or to express their views. We will facilitate the session once the Chairman opens the floor for question and answer. The Company has provided the facility to pass votes electronically on all the resolutions set forth in the notice.

The remote e-voting period started on Thursday, August 10th, 2023, from 09:00 AM onwards and ended on Sunday, August 13th, 2023 at 05:00 PM. The members who have not cast their votes electronically and who are participating in this meeting, will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. Members may please note that there will be no voting by show of hands. Members can click on the vote tab on the video conference screen to make use of this facility. Members are requested to refer to the instruction provided in the notice for the seamless participation through video conference and also for the voting. In case members face any difficulty, they may reach out on the helpline numbers provided in the notice of the AGM. Members may also kindly note that this AGM is recorded. Thank you very much.

Mr. Vijay R Kirloskar :
Executive Chairman

Thank you Mr. Bhat. The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conferencing and vote at the AGM. I thank all the members and colleagues on Board and the auditors for joining us in the meeting over the video conference.

Again, my fellow shareholders, I welcome you to the 76th annual general meeting and I would like to give you a short discourse and speech about the year in passing, and what does the future hold for Kirloskar Electric. I shall be brief and cover as much as I can. The second part that I'd like to do before I go into my view of the last year, I would also like to tell all the members that you are free to ask any questions. You will state your name, your folio number, and please control your speech to within three minutes, as there are quite a few shareholders who would like to speak. So, please restrict your questions to three minutes.

Okay, let me start. The year of 2022 to 2023 has been quite an eventful year. At the beginning of 2022, that is March, I'm talking about the year now, we had paid off a lot of our debt and therefore it stood for improved performances for 2022-2023. In 2022-2023 also we have taken some resolutions for the sale of the second part of Hubballi land which we are still awaiting government clearance. And once that is done, then we'll be even on a stronger wicket as we will have even working capital requirements available to us.

The highlights is, all the units that is right from the large motors to the transformers to the medium sized motors, small motors, dealer market, OEM market all have grown by a minimum of 30% and this is a very proud year for us because for the first time we have had a profit. We are also up in our sales of service units by almost 50%. We have also shipped more than 5,500 electric vehicle application motors. This is again, a very significant development in our place. In fact, I would like to add that we have earmarked in Hubballi a special building to manufacture these products. We have many customers, one of which is TATAs and others are going through the prototypes and alpha and beta testing sites. I would not like to mention them but the market is complete India, whoever are making four wheelers and tractors etc.

The other reasons that I would like to say is that there's been a growing urbanization that is taking place in India and again, industrialization also is part of our growth strategy and the fact that we can see this in the order booking of the company. We have many other things like energy efficient focus by the government, four IES, we have government infrastructure push, we have electric motors being pushed by the government again, urban mass transit which we are trying to enter and make an India impact is where we would like to say make a Kirloskar Electric impact.

There are various other things. We are getting into the railway business, we are getting into the power transformer business. In fact, we have done some unique work. Just last week there's transformers going out to certain manufacturers where we are very proud to be the first ones to do this in the whole of India. There are

also many data systems that require our generators, and so, I think generally the whole market is looking up. We are very comfortable in the order booking in all segments like I mentioned and the areas that we have not been there before like, I would say railways and defence, we are now again attacking these markets so that we continue the same growth that we showed in this balance sheet.

Our plans for the year 2023-2024 looks that we would like to grow at a base of at least 25%. All order bookings are comfortable in every sphere. Our exports are also growing well, especially in Middle East and I would say the eastern flank of Europe. Similarly, on the eastern side also, we are getting good orders though there is still a lag in the Far East market because of the overshadow or the shadow of COVID still being there, and the fact that for 2 to 3 years we could not even travel to the places like Indonesia, Thailand, Laos, Cambodia etc. So there's a relook at that and we will come back to you.

Basically, our association with the banks, we have paid back a lot to the banks and we are continuously paying back the loans. And I'm happy to tell you that there is no long term loan left in the company. So that is a very significant thing that has happened between 2021-2022 and 2022-2023. We will continue this process and see that the company has a good cash balance business.

With this, I would like to thank our bankers, our auditors, our auditors in Singapore and Malaysia and also most important, the whole management team and the workforce who has worked tirelessly with me, despite me and in spite me to build and take this company again to newer heights than we had before. So, thank you very much. And now I would like Mr. Mahabaleshwar to read the auditor's report.

Mr. Mahabaleshwar Bhat :
Company Secretary

Thank you. The statutory auditor's report on standalone and consolidated financial statements are available on the page number 58 and 102 respectively of the annual report. The secretarial audit report is enclosed to the Board report on the page number 38 of the annual report. The statutory auditors K. N. Prabhashankar & Co.

have expressed their qualified opinion in their audit report for the financial year 2022-2023. I will now read out the auditor's report.

Mr. Vijay R Kirloskar :
Executive Chairman

My fellow shareholders, can we take the auditor's report as read?
Okay, thank you.

In this I would like to say only thing there are no qualifications that are new between 2021-2022 and 2022-2023. As the notice is already circulated to all the members, I shall take the notice convening the meeting also as read.

So, we now ask you to come on the video and please tell us about the questions that you want and we'd be happy to reply back. Again, I'd like to mention that we would like to put a time limit, I would like to put a time limit of three minutes per speaker and please restrict yourselves to only Kirloskar Electric, the balance sheet and profit and loss account. Thank you.

Moderator :

Thank your Sir,

Inviting our first speaker shareholder, Mr Reddeppa Gundluru. Sir, kindly unmute yourself switch on your video and ask the question. As mentioned, please do restrict your question or comments to a maximum of three minutes.

Mr. Reddeppa Gundluru :
Shareholder

Thank you sir for giving this opportunity. Good morning. Chairman Vijay Ravindra Kirloskar sir, Sanjeev Kumar - CFO sir, Anand Balaramacharya Hunnur sir and all the other Independent Directors, Non-Executive Directors, my company secretary Mahabaleshwar Bhat ji and also auditors, internal secretarial auditors and my fellow shareholders present in this video conference good morning, *Namaste*. My name is Reddeppa Gundluru. I'm from Hyderabad, sir. As a shareholder I'm very happy about the company performance for the financial 2023, sir. I requested for the annual report and immediately I received it. Within short-term say in, a couple of days I received sir. I felt very happy. Very wonderful annual report, sir. I received well in advance. I have gone through all the annual report. I found there is a very good information, with all the information of

my company. I felt very happy sir. See sir, this annual report. Wonderful sir! Wonderful numbers. Wonderful annual report, sir.

Sir, I found out there is a wonderful corporate governance in my company. Transparent and ethical. That's the reason special thanks to, special kudos to my hardworking company, KMP's company secretary, sir. Sir, financial also very wonderful numbers were posted year-on-year, quarter-on-quarter. As my chairman Vijay sir has made it world class number 1 company, maintaining world class transparency and governance, maintaining very good continuous financial performance under the leadership of Ravindran sir. Thanks for the wonderful numbers, CEO Sir and other people. They have wonderful growth mind-set, sir. Thank you so much sir.

Here my question is sir, what is your vision in couple of years, further five years, sir? And also I would like to know your mission sir. Sir, and also last year too I requested for the dividend. Why are you not giving dividend sir? What is the reason, sir? Such a nice company not in the track of dividend records. What is the reason, sir? I would like to know, sir. Sir, and also, in other expenses there is lot of writes off, trade receivables writes off, 302 lakhs sir. What is the reason sir? This is abnormal (27.47) state of the company. (27.48).

And also another question sir. Irrevocable loans and advances written off, sir. What is this, 310 lakhs written off? It is a huge amount, sir. Why you are not recoverable this amount, sir? Loans, what happened sir? These are my observations, sir. Thank you so much, sir. I have already supported the resolutions. E-voted all the resolutions. I would like to thank my company secretary. I would like to welcome to our company secretary and also wish him all the best.

My one observation is that company secretary people are not reachable sir and also investor relationship should be reachable, right sir? Please contact me, sir. I have further queries also. If you are reachable, I will call for with you sir. You have already given the annual report. Very wonderful. Thank you so much, sir. And also sir, thank you so much, Ravindra Kirloskar sir for giving me an opportunity to speak in front of the wonderful professional Board. I

wish all the best, sir. And also we have faith on you, trust on you. Under your leadership, company will achieve many-many higher awards. I wish good health to you and also happiness to you, sir. And also sir, last year also, I requested for the complementary dry fruits for the shareholders. Sir, you are spending so much amount. If you can send some dry fruits for your shareholders, it would be good. We feel happy and our family will also be happy. So that's the reason. Please consider my request, sir, and ask company secretary to give the complimentary dry fruits in this festival season, sir. We are supporting you, sir. Thank you so much for giving this opportunity. *Namaskar, sir. Namaste, sir.*

Moderator:

Thank you so much, Mr. Gundaluru. Chairman Sir, our next speaker shareholder Mr. Mahesh Kumar Bhubna has not joined yet. And hence you're inviting speaker shareholder Ms. Indrani Chakraborty to speak. Ma'am, please unmute yourself, switch on your video and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Ms. Indrani Chakraborty :
Shareholder

Very good morning, sir. I am Indrani Chakraborty, attending, VC from Calcutta, a small shareholder of Kirloskar Electric Company Limited. At first I congratulate my company secretary, Board of Director and my fellow shareholder to give me a chance in this platform. I casted vote along with my family members in favour of you in this AGM. I believe my company will perform better to better in coming future. Best of luck to my Board of directors. Our company is very good company. Sir, first question. What is our roadmap after 2 and 3 years? Second question, what is female staff our company? I conclude my speech thank you everybody.

Sir, one minute. My husband's name is Shudipta Chakraborty he also applied as the speaker. But technical problem. Please give him chance as a speaker.

Mr. Shudipta Chakraborty :
Shareholder

Sir, thank you. Can I speak sir for one minute?

Mr. Vijay R Kirloskar :
Executive Chairman

Are you a member of the company?

Mr. Shudipta Chakraborty : Yes, I'm also a shareholder, sir. I applied for speaker very long ago.
Shareholder But any technical fault, your secretarial team not send my name. I don't know. I am shareholder for a long time of Kirloskar Electric.

My name is Shudipta Chakraborty, very good morning, sir. I believe, sir, my company is in strong hand and it will perform better to better. (32.21 no audio)

Moderator: Mr. Chakraborty, you've gone on mute.
I believe sir, he's not able to hear us. With your permission, may I please move on to the next speaker?

Mr. Vijay R Kirloskar : Yes please
Executive Chairman

Moderator: Thank you so much sir. Chairman sir, our next speaker shareholder has not joined the meeting which is Mr Yusuf Yunus Rangwala and hence you're inviting our next speaker shareholder Mr Aspi Behsania. Sir, you've switched on your camera. May I please request you to unmute your audio and ask your questions? Please restrict your comments or your question to a maximum of three minutes. Thank you.

Mr. Aspi Behsania : Sir, I'm Aspi from Bombay. Thanks for giving me an opportunity to
Shareholder talk. Sir, I would request you to continue with hybrid meetings when the physical meeting start next year. Sir, today was our Board meeting for first quarter results but I have not seen your results anywhere so far. So when is the Board meeting? Sir, how much percentage of our income comes from EVs - electric vehicles? Are we prepared for hydrogen powered vehicles? Because now Mukesh Ambani is putting a lot of money in hydrogen. Sir, promoter stake is only 49.51%. So, what are your plans to increase your stake?

Sir, I would like to have someone's cell number whom I can call in case of any problems. Also, I will require company secretary help in getting my shares demated because I'm still having shares in physical. So without the company secretary's help it is simply impossible to demat the shares. Your secretarial department was

very prompt in replying. However, no name and no cell number was mentioned anywhere.

Sir, the retained earnings are Rs. 374 crore negative. So, when do you expect to make it positive? Sir, thank you very much and please request the company secretary to give me a call because I'll require help for demating my shares. Thank you very much.

Moderator:

Thank you Mr. Aspi. Chairman. Sir, with your permission I now request Mr. Praveen Kumar to kindly unmute your audio, switch on your video and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Mr. Praveen Kumar :
Shareholder

A very-very good morning to my respected Chairperson, respected MD, well decorated, esteemed Board of Directors and my co fellow shareholders joined in this meeting. Myself Praveen Kumar joining this meeting from New Delhi. I have few observations which I would love to share with the entire house. First of all, I'm very-very thankful, respected Chairperson for your very-very in depth speech which you delivered to us. I think you covered almost everything in it. And the crisp presentation before the meeting, I think that has enlightened us. And your speech is very-very informative, sir, you covered almost everything into it.

Sir, I'm part of our company I think more than 25 years and over the period of time, I see I have the deepest respect for our founder and the entire management team you are having, the leadership quality you are having that was tremendous, and you are so dedicated, devoted, and so focused to bring sustainable growth to the retail investor, so I'm very, very thankful to be part of such a legacy. The investor friendly approach is commendable. I supported all the resolution, which you set out for the notice today and Sir under your leadership our company is at a very, very comfort level, debt free company, a double-digit growth, and the future looks very, very bright. So, I just pray to the God that he will enlighten you so that you will take our company to the new generation in the future, Sir. Sir, one more thing which is very, very important. I'm very, very thankful for our respected CFO, Mr. Sanjeev Kumar for the layout of

our annual report in such a way so that at least a layman or a shareholder like me and others my fellow shareholder who can understand the financial aspect of it, it is very, very investor friendly so I'm very, very thankful for the management and its positive approach and I'm very, very thankful for our Company Secretary, Mr. Bhat and his entire team for bringing out higher standard of corporate governance to our company, Sir.

Sir, when the company is doing great, so my thumb rule is I just wish you all the very, very best. I don't have any queries, but a bit of suggestion, Sir. #1 - Sir during COVID time, it's not about I'm part of this company but at a citizen of India also I think all the companies stopped pressing their physical copy of annual report so that at the end of the day we save cost and we save lots of tree, but you can see the global warming, so from next year please take a note of it because we are getting soft copy at real time Sir, so I'm very, very thankful to our Company Secretary. Please Sir, I requested you if possible can we have the factory visit because I'm part of our company for more than 25 years and we have the one of the best establishment, one of the best factories, and one of the greatest R&D we have, so I'd love to see it, feel it, these are my suggestion and wish you all the very, very best for the entire future and Sir as far as dividend is concerned, my early speaker says that our company is not able to give us dividend, but Sir if you see it very, very positively, this is the right time to expand, so we will plug back our profit into our company so that at the end of the day and there are some glitches also dividend tax everybody's loaded, so I think according to me this is the right time to plug our profit back into the company so that our share price will be rewarded us handsomely in the future. These are my few suggestion. Please make note of them and I'm very, very thankful for this opportunity. Wish you all the very, very best and all the luck. Thank you respected chairperson.

Mr. Vijay R Kirloskar :
Executive Chairman

Thank you, Mr. Praveen.

Moderator:

Chairman Sir, with your permission, I now request Mr. Goutam

Nandy to kindly unmute your audio, switch on your video, and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Mr. Goutam Nandy :
Shareholder

Am I audible, Sir?

Mr. Vijay R Kirloskar :
Executive Chairman

Yes, very much.

Mr. Goutam Nandy :
Shareholder

Thank you, thank you, Sir. Good morning, respected Chairman, Board of Directors, and my online fellow shareholders. Myself, Goutam Nandy from Kolkata, the city of joy, very old equity shareholder of your company. Sir firstly, I like to give thanks to your secretarial department for sending me annual report along with notice and necessary joining link through e-mail well in advance, so especially thanks to our respected Company Secretary and his whole team of your secretarial department for rendering good services to our minority shareholders. Sir, you are organizing your Annual General Meeting through video conference and I find it is again success. Sir, I'm very pleased to receive your wonderful annual report, which is very attractive and also very informative. Sir, regarding the accounts and performance, you have explained very nicely in your annual report, we don't have to ask anything, Sir. Sir, I find very good performance in every segment, even in this challenging year. Sir, now the situation is still very, very tough, COVID-19, geopolitical situation, Russia-Ukraine war, its effect has not finished till now, it is going on still. Every company is suffering very much, still you are trying, still you are trying, Sir. I am very happy, Sir. Sir, your CSR is also very good. Please keep it up. Sir, I like to know what is your road map for the next three to four years? Sir, your company's stock face value is ₹10 now, may I know is there any plan to stock split from ₹10 into ₹5 or ₹2, or ₹1, so please tell me Sir. Sir, are you going to launch any new product in this year? Sir, do you have any expansion program in near future?

Sir, after investment in any company stock, we expect good dividend, rights, bonus etc. from the company's side, but sorry to

say if you don't mind these all are disappeared from your end. No, problem Sir, we are with you. The position of the company is not good now, when the company will improve, we will get bonus and dividend also, so we are with you, Sir. Sir, one request if situation permits please arrange a factory visit in the coming winter season, at least for the speaker shareholders. We are eagerly awaiting for the visit Sir. We, the speaker shareholders, are outstation, please arrange accordingly including to and fro tickets, so please consider Sir. Another thing Sir, please provide speaker serial number with your link, which you were sending to us when in advance. Sir, I have requested for the hard copy of annual report. I have not received it till date, if possible, please send it at your earliest, Sir better late than never. Sir, I am very proud to be a shareholder of your company. I have full trust with our strong management and so I along with my family wholeheartedly support your all resolutions, which we have already casted through our E-voting. Sir, looking forward with a positive outlook towards our company with higher profit margin, handsome dividend, 1:1 bonus, and return. Sir, May God bless you Sir. Stay safe, stay healthy. Thank you very much, Sir. Myself, Goutam Nandi signing off from Kolkata. Thank you.

Mr. Vijay R Kirloskar :
Executive Chairman

Thank you, Mr. Goutam.

Moderator:

Chairman Sir, with your permission, I now request Mr. Ketan Chotalal Sheth to kindly unmute your audio, switch on your video, and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Mr. Ketan Chotalal Sheth :
Shareholder

Hello. Can you hear me?

Mr. Vijay R Kirloskar :
Executive Chairman

Yes.

Mr. Ketan Chotalal Sheth :
Shareholder

Honorable Chairman, and respected Board of Directors, I have a few queries regarding the financial performance and prospects about the company. I'll be very brief. I have already submitted the

questions to the Company Secretary earlier. Now, I would like to specifically know regarding the product details of the company client wise, so like in EV, we are supplying to which OEs? Do we have exclusive OE deals in EV space? And can you give us some more idea about the size of the market that we wish to cater in the EV space, because EV is a high-growth area. I would also like to know in order to meet our growth plans over the next two to three years, what is the CapEx plan of the company? And on the export front, I would like to know which are the products we are exporting and what is the size of the export market that we are trying to address? And if you can share a number on regarding export as a percentage of our turnover that we are targeting? One more question regarding the net worth, which is currently negative. So, where does the company expect the net worth to turn positive and be back on the dividend list? These and some more details which I have, I have submitted my questions regarding new products and the new geographies that the company is planning to address and one more question is I read in the press that Tata Motors has entered into a JV with Prestolite for EV motors and since we are also supplying to them, I would like to know how does it impact our company? Thank you.

Moderator:

Thank you so much, Mr. Sheth. Chairman Sir, with your permission, can I please request, Mr. Girish Gupta to kindly unmute your audio, switch on your video, and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Mr. Girish Gupta :
Shareholder

Hello. Am I audible?

Moderator:

Yes Sir, you are.

Mr. Girish Gupta :
Shareholder

Good morning, Sir. I am already list my query, I send my query by the e-mail already to you. So, for the sake of time, I am not repeating this and you have gone through it and please give the answer if it is possible point wise point. Two things which I want to think with the previous speaker also asked about the EV motors where you are also very bullish about it and in the last AGM you are

also telling that we are doubling our capacity, so whether we have done it or how much time it will take and to whom we will supply and what is the future you are seeing in this? And the second thing in the transformer business that we are expertise in the transformer business and various shortage in the transformer that I have read in the newspaper and I also find in other place, so what big opportunity we can see in this business and the last thing that we are come out was from the very troubling time from the last two to five years, now how much time - in how much period, we can expect that we will pay all our debt in the consolidated basis and our net worth becomes positive? This is from my side. Thank you, Sir.

Mr. Vijay R Kirloskar :
Executive Chairman

Thank you, Mr. Gupta.

Moderator:

Chairman Sir, with your permission, may I please request Mr. Arun Kumar Maroti to please unmute your audio, switch on your video, and ask your question. Please do restrict your questions or comments to a maximum of three minutes. Thank you.

Mr. Arun Kumar Maroti :
Shareholder

Am I audible, Sir?

Mr. Vijay R Kirloskar :
Executive Chairman

Yes Sir, you are audible

Mr. Arun Kumar Maroti :
Shareholder

Yeah. Thank you, Sir. Respected Chairman Sir and all the distinguished member of the board and my fellow shareholders, I, CA Arun Maroti joining this agent from Delhi. It is a matter of pride and immense pleasure for me to interact with the management and thanks for giving me this opportunity and I would like to thank the secretarial team also for their prompt responses. Sir, I have some queries, which I would like to ask, although some of the queries have already been asked by my fellow shareholders, so I would not repeat them. Sir, after many painful years of negative operations, now again our company is showing positive results, so considering the current environment, I would like to know about the headwinds and tailwinds, which can impact our company's future? Sir, in our

annual report at page #31, we are mentioning about various customers like Tata, Mahindra, Reliance, etcetera, etcetera, Sir, would like to know, yes we know that Tata is our regular customer, but apart from them also that whether these customers are our regular customer or the seasonal one? What type of orders and future commitments we have from all the players? And further for the EV segment also Sir, I would like to know that apart from Tata Motor and M&M, can we foresee opportunities for any other domestic as well as international player in near future? Sir, during the current year, company has sold part of the land at Gudimangalam and in your opening remark also Chairman Sir you mentioned about that Hubli land, so I would like to know that what tentative value we are planning to get by monetizing that particular land and do we have planned to monetize and any other land also and what is the tentative market value of our total landmark because I feel that the kind of effort companies putting to get rid of that debt burden, these values from the land bank can support us very positively and as part of our long term growth plan, Sir we have mentioned and identified several core industries where we believe that we can make significant impact and renewable energy sector is one of them and would like to know that whether we have started supplying our product to any player in renewable sector and how we are planning to more penetrate in this particular segment and last but not the least, Sir we are a very old company and when we see you working so hard at the age of 72 person like me get very much inspired and to see that yeah the kind of hard work our Chairman is doing at this age is very much inspiring and would like to mention that when we see the dress code worn by all of our dias members with the name on the pocket Kirloskar, it makes investors like me very much comfortable that yeah what kind of dedication and love our whole team have for the company and only last thing at the last, but not the least I would like to say Sir that we investors get only one day to interact with the management and as all other companies are also doing, if we can also plan to do some investors call on the quarterly basis that will also be very much helpful for investors like me to know more about our company. Yes, as my fellow shareholder also told that yeah, our company is a very beautiful company and we would like to see our company grow

more and more. Thanks a lot, Sir. That's it from my side. Thank you.

Moderator:

Thank you, Sir. All our shareholders registered to speak at this AGM did login and were given an opportunity to express themselves. I now hand over the proceedings back to our Chairman. Thank you.

Mr. Vijay R Kirloskar :
Executive Chairman

Again, a very good morning to my registered shareholder who spoke on behalf of the company and were very interested in the future of the company as well as some of the notable features of the last year. I will try and cover all the questions, but first I'll do the general questions if you don't mind and one of the most common question and concern of my fellow shareholders is you have seen the growth and now you want to know what is going to happen over the next three to five years. There were also questions on the finances and how we can become positive in our network, there was also the question of how much more monetization are we going to do, and how much of monetization we have left, so these are the fundamental questions. Then there was also a basic question of the product of the future and what we're going to invest in and every shareholder is very keen to know the electric vehicle product future and where we expect to stand in this and what we are doing for this. Let me give you a just a little bit of overview and I think I shall cover the same subjects for these subjects. One is on the electric vehicle, we have had a head start, but we do see competition coming in. Tata's and Mahindra's that means Maini Motors were one of our first customers and whereas we do not have Mahindra anymore, but we still have Tata's, and the scope of this electric vehicle comes in many ways. One is at this small end you have the electric vehicle motor for an auto rickshaw or the two Wheelers etcetera, which we have not attempted because the manufacturing technology is very different, but we continued to make the three phase motors. Our basic strategy in the electric vehicle business is that we will look after the four Wheelers off highway and on highway, that means we want to go in larger numbers for the smaller machines and we will also go for the larger machines also, and that is our goal we have made that into a separate vertical. We do have some hiccups that we need to share with our shareholders i.e., we need to have a

drive-train and we are actively pursuing this so that we have a package to sell not just the product. On the vision of transformers, motors all our businesses today are very healthy order booking okay. The transformer shortage, yes there is a transformer shortage, we are addressing it, and we will continue to grow in the same business. We have three types of business in transformers like we have in motors or in generators or anything else. Basically, we want the product to get the money back to us. In transformers, we are not touching the electricity boards in a big way maybe on and off some orders, but we do concentrate on the private companies and we are very happy that our cash flow is good in these situations, so that is the basic philosophy we have. On electric vehicles it's the same, in motors it's the same, we are also concentrating in motors, in railways for their livestock and their power generation business, and we are expanding our scope, we've hired some new people. Similarly, in defense also we are getting good new orders for the navy. We are trying to now get into the Air Force and the Army for their product. The product lines are varied, it could be DC motors, it could be AC motors, it could be generators, or it could be various other things. The other area that we are concentrating but it's a long-term business is nuclear power where they require motors for the Zone #1 and Zone #2, cooling pump motors, and this is what we're trying. Similarly, I've mentioned in other things like infrastructure, we are working closely with the pump businesses to see how we can get businesses there. What do I expect after two to three years? Well, we had crossed 1,000 crores before, but that was with the support of the consolidated balance sheet along with our German company. Today, I think the team is highly enthusiastic that we want to reach that business in another couple of years or three years to see that we reach the same level that includes a few, what shall I say pointers that we would like to be as debt free as we can. We like to work within our own resources. Second is that we have minimum working capital used by the bankers and third is we minimize the monetization that we have to do. So, the next two to three years is still a difficult process, but I think it's getting a little easier and easier okay. So, that is, we are hiring new people, we don't expect to put up any new I would say buildings, but if the opportunity there, we will do that. At the same time, we want to

use our existing facilities. We do expect CapEx to be around 20 to 30 crores per year because for a long-time we haven't modernized our factories and therefore we are now systematically modernizing all our plants, first starting with the end and going back to the beginning. Some of course the infrastructure that we have, we will have to outsource, but that's a management decision or a business decision. I think I've covered most of the subjects and if you have any more questions, anybody who wants - some of you will ask for physical balance sheet, we will see that we send it to you and my apologies to the shareholder who could not reach the secretarial department though everybody else was very happy with the secretarial department, I'm just wondering what Mr. Bhat is up to. So, that's in lighter way. With that, I would now like - there's no more questions. I would like to put this resolution to vote that is the adoption of the accounts and the balance sheet for the year 22-23 as the 76th balance sheet.

So, the next thing is the reappointment of Mr. Suresh Kumar as Non-Executive Director, who retires by rotation and the next one is the appointment of BMS Auditing, our Chartered Accountants in Dubai. Similarly, rectification or remuneration of cost auditors for the – that's item 4, the financial year ending 2023. I would like Mr. Kamlesh Gandhi, can you take over please.

Mr. Kamlesh Gandhi :
Independent Director

Yes. This is the item regarding the revision in remuneration of the Executive Chairman. Since he is the recipient of this, I will Chair this meeting and recommend it to the shareholders for voting, if they've not already voted for it. Chairman, you can continue the next one.

Mr. Vijay R Kirloskar :
Executive Chairman

Okay. Mr. Suresh Kumar comes back in the limelight as being appointed as an Independent Director of the company. We have no other subjects, so we will treat this meeting as closed. Just before I close, I would just like to inform the shareholders so regarding dividend, it is my intention also to see that we come back to the dividend list as soon as possible. Yeah, actually it's a little bit of a black mark on me, but I think we will come back in the next couple of years to three years back on the dividend list. Secondly, the Government of India does not allow us to send sweets or send any

gifts to the shareholders because there was no end to this and the government wanted to keep it transparent. So, I think I've covered most questions. Members may note, the e-voting on CDSL platform will continue to be available for the next 30 minutes. Therefore, I request all members who have not cast their vote yet, please go ahead and do so. The Board of Directors has appointed Mr. Sudheendra T. Gandhi, Practicing Company Secretary as a scrutinizer for the e-voting process. Results of the voting shall be placed on the website at the earliest. Resolution as set forth in the notice shall be deemed to be passed today subject to receipt of requisite quorum. My fellow shareholders, again thank you very much for joining this meeting and making yourself heard and I'm very proud and happy to interact with all of you all. I will now close this meeting and thank you very much and we hope to show you an improved performance even the next year. So, thank you very much and good day.

Mr. Mahabaleshwar Bhat: Thank you.
Company Secretary

Mr. Anand Hunnur : Thank you.
Managing Director

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