

Kirloskar Oil Engines Limited
Transcript of 13th Annual General Meeting held on 11th August 2022

13th Annual General Meeting of the Members held on Thursday, 11th August 2022 through
Video Conferencing facility

Board of Directors:

Sr. No.	Name of Director	Designation
1	Mr. Atul C. Kirloskar	Executive Chairman
2	Ms. Gauri Kirloskar	Managing Director
3	Mr. Rahul Kirloskar	Non Independent Director (Chairman of Corporate Social Responsibility Committee)
4	Mr. M. Lakshminarayan	Independent Director (Chairman of Audit Committee and Risk Management Committee)
5	Mr. Satish Jamdar	Independent Director (Chairman of Nomination and Remuneration Committee)
6	Mr. Sunil Shah Singh	Independent Director (Chairman of Stakeholders Relationship Committee)
7	Mr. K. M. Abraham	Independent Director
8	Dr. Shalini Sarin	Independent Director
9	Mr. Mahesh Chhabria	Non-Independent Director
10	Mr. Vinesh Kumar Jairath	Non-Independent Director
11	Mr. Yogesh Kapur	Additional Independent Director
12	Mrs. Purvi Sheth	Additional Independent Director

Moderator: Dear shareholders. Good morning and warm welcome to you all to the 13th Annual General Meeting of Kirloskar Oil Engines Limited through video conferencing or other audio visual facility. As a reminder, for the smooth conduct of the meeting the members will be in mute-mode and audio and video will be opened when they will speak at the AGM as per the preregistration. Please note that as per the requirements the proceedings of the annual general meeting will be recorded and available on the website of the company. I now hand over the proceedings to Mr. Atul Kirloskar – Executive Chairman of Kirloskar Oil Engines Limited. Over to you, Sir.

Atul Kirloskar: Thank you. The Company Secretary has informed me that the necessary quorum is present and I call the meeting to order. On behalf of the board of directors, I extend a hearty welcome to all of you at the 13th Annual General Meeting of the members of the company. I hope all of you are safe and in good health. The present AGM is being held through video conferencing facility in compliance with the provisions of the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India from time-to-time. I would now like to introduce the Directors.

I am Atul Kirloskar – Executive Chairman, Ms. Gauri Kirloskar – Managing Director, Mr. M. Lakshminarayan – Independent Chairman and also the Chairman of the Audit Committee and Risk Management Committee, Mr. Satish Jamdar – Independent Director he is the Chairman of the Nomination and Remuneration Committee, Mr. Rahul Kirloskar – Non-Independent Director, Chairman of the Corporate Social Responsibility Committee, Mr. Sunil Shah Singh – Independent Director he is the Chairman of the Stakeholders Relationship Committee, Mr. Mahesh Chhabria he is the Non-Independent Director, Mr. Vinesh Kumar Jairath – Non-Independent Directors, Mr. K. M.

Abraham – Independent Director, Dr. Shalini Sarin – Independent Director, Mr. Yogesh Kapur – Additional Independent Director and Mrs. Purvi Sheth – Additional Independent Director.

Mr. Pradeep R. Rathi, Mr. Sanjeev Nimkar and Mr. Nihal Kulkarni, Dr. Ajay Bhushan Prasad Pandey and Mrs. Mrunalini Deshmukh had tendered their resignation as Director of the Company. The board has taken on record the contributions made by them towards guiding the company on business matters. The second term of reappointment of Mr. M Lakshminarayan – Independent Director of the company is valid up to 11th August, 2022. The board has also taken on record the contributions he has made towards guiding the company on business matters during his long association with the company.

The following people are also present at the AGM – Mr. Pawan Kumar Agarwal – Chief Financial Officer, Ms. Smita Raichurkar – Company Secretary and Head Legal, Mr. C. M. Dixit – Partner of G.D. Apte & Co., Chartered Accountants, Pune being Statutory Auditors and Mr. Mahesh Risbud – Practicing Company Secretary being Secretarial Auditor, Mrs. Varsha Limaye – Partner of M/s. Parkhi Limaye & Co Cost Accountants, Pune being Cost Auditors, Mrs. Manasi Paradkar Practicing Company Secretary being a Scrutinizer of the e-voting process.

The following registers and documents are available electronically for inspection during the AGM at the NSDL e-voting portal:

Register of Directors, Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which the directors are interested, Statutory Auditors report on standalone and consolidated financial statements, Secretarial Audit report and Auditor Certificate on Employee Stock Option Plan pursuant to the Securities

and Exchange Board of India regulations 2021 and circulars issued there under.

The Annual Report including the AGM notice for the financial year 2021-2022 have been circulated by email to the members of the company and are also available at the websites of the Company, BSE Limited and National Stock Exchange of India Limited. With the consent of the members the same are considered as read. Pursuant to provisions of Section 145 of the Companies Act 2013 the Independent Auditors Report and the Secretarial Audit Report need not be read at the AGM since the same do not contain any qualifications or observations or comments.

I will now move to my address to all of you.

Good morning again ladies and gentlemen on behalf of the board of directors and my colleagues at Kirloskar Oil Engines Limited it is my pleasure and privilege to welcome you to this 13th Annual General Meeting of your company by a video conferencing.

I trust you and your family are safe like last year we have shared the annual report by electronic mail and are conducting the AGM through video conferencing. The Year gone by has been a vacillating year for the world. After dealing with three waves of the pandemic, just as the world was looking to return to normalcy the geopolitical unrest between Russia and Ukraine exacerbated the micro landscape. The Indian economy is similar to the global picture has been subjected to geopolitical upheavals and is experiencing the repercussions of commodity price rises and supply disruption. Kirloskar Oil Engines has been quick to act against this dynamic backdrop. Our business teams have navigated the challenges and done their best to try to see the opportunities amidst these global shocks. We suppressed COVID-19

spread by upholding stringent protocols and once vaccines became available we cooperated with the relevant parties to inoculate our workforce.

As our employees worked un-disrupted in a safe environment we forged a powerful synergy from top management to the workers to deliver impactful growth.

I will come to the Economic and Industrial Scenario:

Improving economic numbers in financial year 22 belied the disruptions in global trade and shipping occasioned by the COVID-19 policies in key country. Several major ports (sea and air) in China were locked down at various times during the year due to COVID-19 cases at the terminals resulting in congestion at other Chinese ports. It is a similar tale with air travel. As a result, container rates on major trade lanes rose manifold since the start of the pandemic. The shift from consumption of services to manufactured goods and rising fuel prices also lent weight to firming prices. With all this a new normal may emerge in supply and value chains concerning trade routes and production locations as countries settle into a new equilibrium.

I will come to ESG which is the Environment, Social and Governance:

The Environmental, Social and Governance (ESG) performance of a company which is gaining prominence as a key decision-making consideration for the investor community. It is also increasingly on the radar of customers, regulators and employees. KOEL has been a forerunner in advocating sustainability which includes upholding high ESG standards as we see it as our responsibility to lead by example and contribute to a wider industry transformation. Sustainability is a topic that is very close to our hearts. The very core of our entire business is

based on key Environmental Social and Corporate Governance principles.

As we advance the sustainability ladder we have set up an ESG committee to set the directions for the Kirloskar group you will see significant progress on this front in the coming years. We are also ever mindful of the importance of corporate governance and remain committed to upholding good business ethics and practices ensuring timely and accurate disclosures and adhering to the spirit and not just a letter of good corporate governance.

Now I will come to New Product Developments:

KOEL has invested in developing world class engine platforms from both ends of the existing power rating spectrum. Our compact engine platform which (<35 KW) is now getting into production and we expect to cater to domestic and export markets in power generation and industrial segments.

Similarly, the large engine platform which is (> 800 KW) is also getting into production with an encouraging market feedback from the seeding unit. KOEL continues to effectively address the emission norms upgrades in all relevant business segments, in collaboration with the Original Equipment Manufacturers (OEM), wherever required. Last year, our industrial business portfolio moved from Bharat Stage-III to Bharat Stage-IV and have clocked over 100,000 hours in the field. This has helped the OEM customers to serve the nation in its push for infrastructure development without downtime and changeover blues. As we speak we are preparing for emission upgrades in the power generation business towards one of the most stringent emission norms in the world which is called CPCB IV+ which is expected to come in force next year in July.

In addition to making diesel engines cleaner, KOEL also developed engines running on alternative fuels last year. With this customers will have the option of choosing natural gas based gensets and also biogas gensets primarily helping the waste to energy efforts of various local government bodies under the Swachh Bharat Mission. Our Technologies have been fully developed to work with ethanol and also 100% methanol both of which are being explored as the blending options for the future. With the fleet of technologies that we have developed in process we are confident of addressing the 'fuel of next decade' which is hydrogen in our engines as well and as and when the time comes. With increased electrification KOEL has entered into the electric motor business and the product was launched towards the end of last financial year. This year we will see range expansion, market reach building and establishing the brand in this growing market. KOEL is also adding the motor driven fire-fighting pump set along with the traditional engine driven pump set.

Coming to the Business Highlights for FY 2021-22:

The financial year began with a second wave of the pandemic which brought in stringent nationwide restrictions. The year also saw surging input cost and supply side constraints. But we mitigated the situation through regulated pricing actions, improved product mix and cost optimization initiative. The company grew by 22.5% with respect to the financial year 2020-21 and continues to improve its market leadership. The Company was also able to enhance its market share across operating categories in the Industrial business by supplying the proper 'fit for market' products with assured deliveries at a competitive price, supported by KOEL Care's robust after sales service network across India.

Compared to the previous year, KOEL Electric Pumps has improved its position in the household and farm product segment. Over the previous year, overall export sales increased by 24%, within which the power generation section grew by 50%, the fire-fighting segment grew by 26% and the agri segment by 12%. All other business divisions including Power Generation and industrial have also delivered good growth in the financial year 22 over the previous year.

Coming to the financial highlights:

Revenues from operations at KOEL grew by 22.5% to Rs. 3,300 crores in the financial year 2022, versus Rs. 2,694 crores in the previous year 2021. Profit after tax of the company also jumped by 22.5% to Rs. 208 crores in financial year 2022, from Rs. 170 crores in the financial year 2021. Consolidated revenue from operations stood at Rs. 4,022 crores and the consolidated net profit for the year was Rs. 171 crores.

I will come to the Performance of the Subsidiaries and Joint Ventures: Let me briefly touch upon the performance of the La-Gajjar Machineries Private Limited (LGM). LGM total revenue from operations for the financial year 2022 stood at Rs. 542 crores and the net loss for the year is Rs. 3.88 crores. The unprecedented increase in the input cost severely impacted the financial performance of the company. The inflationary impact was not fully passed onto the channel during the year keeping the long term prospects of the 'Varuna' brand in mind. However, the company is back into profits in the current financial year. LGM continues to do well in the exports market. LGM is also eyeing to expand our distribution network in South East Asian countries in the near future.

I will come to Optiqua Pipes and Electricals Private Limited. Optiqua a step down subsidiary of KOEL and 100% subsidiary of LGM was

incorporated on 19th February 2021 and it acquired the partnership business of 'Optiflex Industries' based in Ahmadabad as a going concern on a slump sale basis on 16th April 2021. Optiqua manufactures and sells Winding wires, Cables and Column pipes. The company has delivered Rs. 40 crores of total revenue from operations for the year ended 31st March, 22, and suffered a net loss of Rs. 1.84 crores. The management teams are working towards a turnaround strategy and I am confident that Optiqua will turn around the corner very soon. Optiqua also entered in a joint venture with ESVA Pumps India Limited effective from 4th October, 2021. Optique holds 49% equity stake in the joint venture and this joint venture was formed with a view to securitizing the uninterrupted supply of high-quality Electric Pumps to KOEL and to LGM.

Now I will come to ESVA Pumps India Private Limited (ESVA). ESVA primarily manufactures and sells Electric Pumps to KOEL and to LGM. The turnover of the JV for the period ended 31st March 22 is Rs. 56 crores and the net profit for the period is Rs. 1.44 crores.

Now I will come to Kirloskar Americas Corporation which is a 100% subsidiary of KOEL and it clocked a turnover of little over USD 4 million for the financial year ended 22 and the net profit for the year is more than USD 2,40,000.

Coming to Arka Fincap Limited (AFL or Arka). Arka a non deposit taking systematical important NBFC is a subsidiary of Arka Financial Holdings Private Limited (AFHPL) which in turn is a subsidiary of Kirloskar Oil Engines Limited (KOEL). During the financial year 22, Arka Financial Holdings Private Limited was created as a subsidiary of Kirloskar Oil Engines Limited to address opportunities in the financial services business with our strong credit rating and also a superior capital allocation strategy. The entire shareholding of Arka Fincap Limited

which was previously held by Kirloskar Oil Engines Limited was transferred to Arka Financial Holdings Private Limited during the year which as stated above is a 100% subsidiary of KOEL.

AFL continues its expansion during the year to 10 locations from 3 locations. Co-lending and tie ups were formalized with large insurance players for cross selling life insurance products to the Small and Medium Scale Enterprises (i.e. SME customers). As Arka consider technology as its major driving force, it tied up with 5 more Fin-tech during the year so as to provide a seamless experience to its customers.

During the year under review the company made gross disbursements of approximately Rs. 2,494 crores resulting in a net increase in the Assets Under Management (AUM) by Rs. 1,256 crores. As of 31st March 2022, the Asset Under Management of Arka stands at Rs. 2,380 crores. Revenues from Operations at Arka were Rs. 202 crores and the net profit for the year is at Rs. 32.5 crores. There were no significant or material commercial operations at AFHPL during the year and therefore the net loss for the year ended 31st March 2022 is Rs. 2.6 crores.

Now I will come to the Performance of Quarter 1 of financial year 22-23:

On a standalone basis, the revenue from operations for the quarter ended 30th June 2022 stand at Rs. 953 crores as against Rs. 647 crores for the corresponding quarter of 2021-22. Profit before tax for the quarter is Rs.87 crores, as against Rs. 34 crores for the corresponding first quarter of 21-22. On a consolidated basis, revenue from operations for the quarter ended 30th June 2022 stands at Rs. 1191 crores as against Rs. 821 crores for the corresponding period last year

and profit before tax for the quarter is Rs. 110 crores as against Rs. 44 crores in the corresponding quarter of 2021-22.

We are committed to enhancing shareholders value and maintain regular distribution of dividends out of our earnings. In view of KOEL strong performance in FY2022, the Board has proposed a final dividend of Rs. 2.50 per equity share, subject to the shareholders approval. Together with the interim dividend of Rs. 1.50 per equity share paid in February 2022 this brings our total dividend for the year Rs. 4 per equity share (i.e. to 200% dividend).

With a relatively healthy balance sheet and liquidity position we are confident of sustaining all our business operations and will continue to pursue areas of growth opportunistically and cautiously to enhance our earnings and diversify our revenue streams.

Come to Industry Outlook, Challenges and Opportunities going forward:

Concerns over unchecked inflation and highly charged geopolitical climate means business risks delving deeper into uncharted terrains. Given both Russia and Ukraine standing among top exports of certain energy, chemicals and edible oil commodities, protracted hostilities and economic sanctions will threaten to impede global flow of these goods, , with repercussions certain to be felt across various industries. KOEL strategy of long term growth is to invest resources to develop businesses with synergies with our existing business, develop new markets with high potential and build innovative products to increase the comparativeness of our offering. Our ability to achieve strong results despite the current difficult business environment is a testament to the success of our strategy. Throughout our 75 years in

operation the Kirloskar group has navigated many cycles of market volatility and socioeconomic and geopolitical uncertainties.

We will draw out his existence experience so that KOEL can emerge stronger and better.

Note of gratitude:

On behalf of KOEL I would like to thank all our shareholders, board of directors, business partners, customers and employees with a long term commitment to the group. In the end I would like to reiterate that despite the macro uncertainties road ahead is still full of opportunities for the leadership teams at KOEL to create a sustainable profitable business and livelihood for people. I wish the team all the very best and I thank all of you ladies and gentlemen.

I would now like to request Managing Director Ms. Gauri Kirloskar to make her presentation.

Gauri Kirloskar:

Good morning and welcome to all of you. The customary disclaimer that there may be some forward looking statements in my presentation. We have and will always remain a values driven company. We believe that it is our commitment to our values that have helped us stand tall through many generations. I believe our values will deliver value to all our stakeholders including all of you who have placed your trust in our company. I will first go over the full year performance of the company then some business highlights and finally a strategic directions.

Coming to the financial performance in the fiscal year 2022 standalone performance sales grew by 23% to Rs. 3,268 crores however EBITDA is at a level of Rs. 269 crores due to high commodity prices which impacted material margins. Our material cost is higher by 4.7% on a

year-on-year basis. Net profit for the year stood at Rs. 208 crores witnessing 23% growth over last year. This includes an exceptional item pertaining to profit arising on sale of investment in Arka Fincap Limited to Arka Financial Holdings Private Limited of around Rs. 52.7 crores. As far as the consolidated performance of the KOEL group is concerned here are the key points, net sales at Rs. 3,979 crores for fiscal year 2022 versus Rs. 3,255 crores for fiscal year 2021 which is a 22% increase on a year-on-year basis. Net profit of Rs. 171 crores for fiscal year 2022 versus Rs. 197 crores for fiscal year 2021 is a 13% decline.

I will now highlights some of our key products. The R550 Genset is a compact powerpack with 30% volumetric reduction without comprising on performance. In our farm mechanization business, we continued our innovation and introduced a new Kcool product range to address the market requirements in the 12 horse power and 15 horse power segments and the power weeder segment. In firefighting engines we indigenously developed a manufactured UL approved engines for the sector. We currently cater this product to OEMs in the Middle East, Europe, South East Asia, North and South America. This is a celebration that we had of our 25 years in the Middle East with all of our International distributors and we also launched R550 engine power genset in this event. When we come to our business unit performance I just want to highlight that in the power generation business year-on-year grew at 48%, the industrial engine business grew at 5%, the customer support business grew at 13% and our water management solutions business grew at 3%.

In the prime power solutions business, all major sub segments have registered a healthy growth over last year. Our farm mechanization business caters to the needs of farmers and the products are designed based on consumer insight thus making them more ergonomic and

efficient. This business grew 2% over last year. Our international business is witnessed a 25% growth. During the year we completed the range expansion of our firefighting engines for pump sets and supplied more than 300 Kirloskar firefighting pump sets in the markets. Our institutional project and solutions business a growth of 16% year-on-year. We have had strong labor relations over the years marked by our 10 consecutive on time wage agreement that we signed at the end of March 2022. Our long-term strategy is based on these five pillars.

In our power generation segment, we see an opportunity in exports due to a catch up of Indian emission norms in the rest of the world which means we can manufacture for the world and not just non emission countries. Additionally, we are also seeing an opportunity due to the China plus one strategy where India and Indian manufacturers are becoming the partner of choice. We are seeing traction in our focus markets of South Africa the Middle East and we hope to see the beginning of bigger business in the United States as well. Our R&D team is focused on developing products for stringent emission norms as well as alternate fuels on the path to net zero and we will also look to expand our engine range into the high horsepower segment whether we do it ourselves or through partnership. On both the engines and the water management and farm mechanization businesses we are looking at further strengthening our distribution and dealer channels and focusing on deepening and widening our reach to increase our market share. On people and culture we aim to be an employer of choice and we will continue to build and retain our expertise in manufacturing continuously strive to improve quality and reduced cost and continue to build a resilience supply chain. Thank you very much.

Atul Kirloskar: Thank you Gauri. Now I request the Moderator to ask the speaker shareholders to speak one by one.

Moderator: Thank you sir. Ladies and gentlemen we will now begin the question-and-answer session. Speaker shareholders who have registered themselves earlier will be allowed to speak one by one to ask questions or express views. I now invite Mr. Manoj Kumar Gupta to unmute his audio and video and ask the question or give comments. In the interest of time may I request you to restrict your question or comments to three minutes.

Manoj Kumar Gupta: Good afternoon respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Gupta I am equity shareholder of Kirloskar Oil and Engines Limited. I have joined this meeting from my residence in Calcutta. I have a great respect and regards to you and I have full faith on the brand of Kirloskar because being a shareholder of Kirloskar I have got a good return on my investment either I hold one share or 1,000 share, but I have got return and I have full faith and confidence under your leadership that company is doing well and the Company has performed very well in return to the investors. I have some few queries, I thanks to your Company Secretary and your team that help us to join this meeting through VC and I also thanks to the chorus team that you always keeps in touch with us in order to join this meeting and thanks for your dividend 200%. How you face the challenge of inflation in this era of political instability worldwide instability.

The raw material prices has gone up so how you faced the challenge because you cannot increase your prices. The production price cannot increased ascompared to inflations. So, how you face this challenge and you get return on your prices due to inflation. I have got your physical balance sheet on my request and I have seen that there is several disputed cases are there.So, what is your view in this regards in various platforms some cases are pending from long time so what is your view

in that regard and who is your nearest competitor and what is your future outlook for the Company for next two to three years and export what is your view on the export because there is a tough competition so what is your view in this regard. May I request you to plan to visit this city of joy. Calcutta is a big city and Calcutta is a very good place. I request you to make a plan to visit the city of joy Calcutta. You are not coming this side, so I request you should plan a visit because I have requested you in Kirloskar Ferrous Industries Limited AGM that I have got a chance to meet you through VC twice in a year from last three years and physically in Kirloskar Ferrous Industries Limited I have attended 12 years back and I congratulate you again to acquire the ISMT. Being the shareholder of ISMT I am proud that you have acquired that company and you will turn down that company like as a Kirloskar Ferrous Industries Limited.

We shareholders of ISMT from last 27 years we will get return like Kirloskar Ferrous Industries Limited on our investment in ISMT. Under your leadership with the help of your MD of Kirloskar Ferrous Industries Limited. Do you have any plan to bring some investment in the Eastern part. Eastern part is growing so plan a visit to invest some amount in this part also, Eastern part like Bihar, Odisha, Bengal, Assam, Jharkhand and how you will reward to the shareholders. You have not issued the bonus or rights from several years, have you any plan to reward the shareholders, how you will reward to the shareholders. Thank you.

Moderator:

Thank you. Our next speaker shareholder Mr. Satish Shah had registered however he is not connected. I now invite Mr. Anant Jain to unmute his audio and video and ask the question or give comments in the interest of time may I request you to restrict your question or comments to three minutes.

Anant Jain: Thanks for the opportunity sir. My first question is where we stand in terms of market share and how has this market share changed over the years.. My audio is gone so I cannot help it if you cannot hear me. I do not know how to go about it.

Moderator: We can hear you now. Please go ahead.

Anant Jain: I do not know until when was I heard your voice was breaking actually you can repeat the question.

Anant Jain: You want me to restart?

Moderator: Yes.

Atul Kirloskar: We heard market share the next question was garbled.

Anant Jain: The next question that I have is a very specific to data centers. Data center is a very fast-growing segment and I was just going to understand in terms of which of our product are covered under Data Center because whatever data centers I visit I always seek Cummins I see a very few KOEL deployment over there. I would also want to understand in terms of MW as to how much of data center capacity in terms of MW do we cater through a Genset.

Moderator: Mr. Jain we lost your audio again your voice is cracking. Okay now you are clear please go ahead.

Anant Jain: I understand in terms of MW capacity megawatt capacity what kind of deployments do we have if there is a metric around that, that would be very helpful I hope I am audible.

Moderator: Yes you are.

Anant Jain: What I want to understand is we are an engineering company and we absolutely have no NBFC business.

Moderator: Sorry to interrupt Mr. Jain we will check your connection and we will take you again.

Anant Jain: Sure that would be helpful.

Moderator: Thank you. Our speaker shareholder Mr. Mohit Tirogna Sambadan had registered however he is not connected. The next speaker shareholders Mrs. Celestine Elizabeth Mascarenhas had registered however she is not connected for the call. I now invite Mr. Yusuf Yunus Rangwala to unmute his audio and video and ask the question or give comments. In the interest of time may I request you to restrict your question or comments to three minutes. Mr. Rangwala. Please go ahead with your question.

Yusuf Yunus Rangwala: Good morning sir. I am very dynamic chairman and the Kirloskar Group does not require. I am very happy with our Kirloskar Group Company you have given the excellent dividend of 200% and after hearing of your Chairman speech I felt very happy that we are leader in all the division. Sir, this is a 75th Annual General Meeting, how you are celebrating, my humble request for our bonus, many years in the past you have not declared a bonus it is high time to declare one is to one bonus, sir how you are celebrating a 75th year. My good wishes for the 75th year if you are celebrating please send us a flag so that we can remember our company Kirloskar and one more thing that this is a 75th year and so I ask for a sweet sir so we can celebrate this is a 75th year so you can send a sweet so that we can celebrate 75th year, the total number of staff and our factory is at Pune and at Kolhapur and if it is possible we want the factory visit we want to see, in COVID-19 how many people affected sir what is the ladies number of staff and total

number of employees at present and total four factories are there and whole Kirloskar group has made us rich and Ferrous people how much praise we do is less we are very lucky to have a Ferrous people and sir I have one more request and sir your group company Kirloskar Brothers Limited the meeting has been done day before yesterday and if it is possible ask your secretary to call me, your group company, Kirloskar Brothers Limited that is also linked, but I forgot if it is possible to tell your Group company who is at Pune tell them to contact me if possible and your company share department and I want to share one proverb phoolo ki Kushboo aur Kaliyo ki mahek and ane wale sab tyohaar Jaise Rakhsha Bandhan, Ganesh Chaturthi I wish you and Annual report we have a photo of Lord Ganesha, so I felt very good and our annual report around 250 pages and our Company Secretary has worked very well, email we have got and I felt very good and being a shareholder of this company I am very lucky to be excellent part of this company and I am hoping for bonus too this time you please give bonus this is my humble request for bonus and as you have said that company is in loss and you have given such a good dividend for this I am very happy and thank you very much and I am your old shareholder and Diwali send me a sweet and in 15th August I want sweet from your side if it is possible from Pune please send some famous sweets so that I can remember you this is my humble request. Thank you very much Jai Hind Jai Maharashtra Vande Mataram and Jai Hind.

Moderator: We are checking the connection of Mr. Anant Jain. Mr. Anant Jain is not connected so sir you can proceed further.

Atul Kirloskar: Thank you. So all the questions are done.

Moderator: Yes sir.

Atul Kirloskar:

In reply to various questions that were put forth. First, I would like to thank the shareholders that spoke and for having faith in the Company as well as having faith in the brand. Thank you very much for your support. I think two or three main questions that really came out was one on bonus. I think the answer to that performance of the Company, growth of the Company I am sure the Directors of the Company in their wisdom will decide when the bonus will be paid and till then I think we will all have to wait.

As far as exports is concerned as the Managing Director said there seems to be a lot more interest now given the geopolitical situation in the China Plus One strategy and we are also seeing movement in terms of new companies coming to us in terms of doing business which will be mainly catering to the export markets. We will keep you informed as it progresses. There was a question on the cases the legal cases in the Company as you can imagine most of them are sub judice so I cannot make any comments on them publicly. There was also a question of how we handled inflation and I think all I can say is like every other company which was faced with rising commodity prices it was a very difficult situation where on one side suppliers wanted price rises and on the other side we had to go and request our customers for price rises which in many cases was quite difficult to get as well as there was a time lag between giving the price rise to our supplier and trying to get a price rise from your customer. So, we went through that difficult situation, but fortunately we were successful over a period of time and I think we are looking into the future where commodity prices will stabilize a little more. Mr. Jain unfortunately he is not here, but he asked us what the market share was, we operate in small, medium and large horsepower segments while we are very strong on the small and medium which is going up to let us say 250 KW there we enjoy a market share above 40% and the new areas that we are getting into large and

larger horsepower engines we are creeping up to 20% market share and we expect to go higher as we introduce new engines with higher horsepower.

As far as the data center market is concerned it is started at 1,500 KVA today currently it is data centers are getting larger and they have reached about 2,200 KVA as their standby arrangements and in the future we see that going to almost to 3 megawatt as requirement for gensets for data centers. Currently we do not have a range that reaches 3 megawatt but we are making certain moves with certain diesel engine players to see what can be done. Our biggest offering and the latest Genset that we are doing is 1,500 KVA.

Somebody asked how many employees we had and we have a total of 2,184 employees. Besides that thank you very much for all your support and the good wishes that you expressed and with that I will now close the question and answer session and move to the processes that one has to follow for remote e-voting and that period commenced on 8th August, 2022 at 9 AM (IST) and ended on 10th August, 2022 at 5 PM (IST).

The facility for e-voting is available to those members who are present at the AGM and have not cast their votes by remote e-voting. Manasi Paradkar Practicing Company Secretary as been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and to provide the report thereto. The scrutinizer report will be submitted to the stock exchanges within two working days from the conclusion of the AGM and will also be uploaded on the website of the company and on the website of NSDL.

In conclusion, I am grateful to all the shareholders for taking the initiative to join the meeting through video conferencing facilities. I

wish you all and your family members good health and safe future and the proceedings of the Annual General Meeting will conclude at the end of the e-voting period. With your permissions members of the board of directors will log off now from the AGM. Thank you very much.

Moderator:

Thank you. E-voting is being conducted now and will remain open for 30 minutes. We are now in the backup call. Dear members as instructed by the scrutinizers request all the members participating in the AGM and who have not cast their votes yet to cast their vote in the remaining period of 10 minutes. Thank you. Dear members as advised by the scrutinizers the time for e-voting has elapsed and they are of the view that all members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM and this concludes the proceedings of AGM. Thank you all for participating in the AGM and e-voting. Thank you.