



KIRLOSKAR ELECTRIC COMPANY LTD.,

TRANSCRIPT OF 74TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, THE 21ST DAY OF SEPTEMBER 2021 AT 11.00 AM THROUGH VIDEO CONFERENCING

Moderator : The event is live, we can start.

Mr. Vijay R Kirloskar,
Executive Chairman : Good morning to you and this is the 74th AGM of Kirloskar Electric, I welcome you all to this meeting. I would now like to announce that we have a quorum also and we shall begin the meeting. Before I begin the meeting and go through all the important things that we have to, finish. I'd like to introduce myself as Vijay Kirloskar, the chairman of Kirloskar Electric.

We then have Mr. Kamlesh Gandhi, who is our audit committee chairman and independent director. We also have Mr. S N Agarwal, our independent director and chairman of the Remuneration & Nomination Committee, we then have Mr. Anil Kumar Bhandari, Independent director and chairman of the shareholders committee & Member and Mr. Sarosh Ghandy, independent director and chairman of the CSR committee and member. Mrs. Meena Kirloskar, Non Executive Director & member. Mr. Mahendra, I hope he's here, if not, going to miss him. Dr. Ashok Misra, an Independent Director. Mr. Ravi Ghai, ARCIL's nominee and member of the Board and Mr. Suresh Kumar, Non Executive Director, Mr. Sanjeev Kumar, who's here, Director (Finance) & CFO of Kirloskar Electric. Swapna Latha is here as our Company Secretary and Legal and our whole-time consultant is here, Principal advisor to me, Mr. Anand Hunnur is here.

Apart from them, we also have our statutory auditors, Mr. Umesh Patwardhan from K N Prabhashankar & Company and Mr. Sudheendra P Ghali, Proprietor of SP

Ghali and Co., Company Secretaries and the Secretarial auditor joining from their respective locations.

Before we start the proceedings of the meeting I would like to say that the meeting is being held through video conferencing facility in compliance with the provisions of the Companies Act., 2013 rules made therein under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with the circulars issued in this regard. The company has engaged the services of CDSL to provide remote e-voting and facilities during the AGM. Members attending the AGM through the audio visual means shall be counted for the purpose of reckoning, the quorum under section 103 of the Companies Act, 2013. The requisite quorum as I mentioned is present, I now call this meeting to order.

I now request, the Company Secretary Ms. K S Swapna Latha to provide the general instructions for the participation of this meeting and also read the auditors' report.

Ms. K S Swapna Latha
Company Secretary :

Hi, Good Morning everyone. Members may note that 74th annual general meeting is being held through video conferencing, in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. The facility for joining this meeting through video conference or any other audio visual means is made available for the members on a first-come-first-serve basis.

The Register of Members and Key Managerial Personnel, the Register of Contracts or Arrangements, and other documents mentioned in the AGM Notice have been made available for inspection by the members during the AGM. Members seeking to inspect any of these documents can send their request to our mail id investors@kirloskar-electric.com.

As the AGM is being held through video conferencing, the facility of appointment of proxies was not applicable, and hence the proxy register for inspection is not available. Members, who have joined this meeting by default, will be placed on mute to avoid the disturbance from background noise and ensure smooth and seamless conduct of the meeting.

The notice of the 74th Meeting and the Annual Report Financial statements including consolidated financial statements for the year ended March 31, 2021 along with Boards' Report and Auditors' report thereon have been sent through electronic mode to those members whose email ID has been registered with the Company or with the respective Depository Participants. These documents have also made available on the Company's website.

The Company has received requests from a few members to register them as speakers at the meeting. Members who do not wish to speak were also given the option to send the queries in advance at investors@kirloskar.electric.com. Accordingly, the floor will be open for those members to ask questions or to express their views. We will facilitate this session once the Chairman opens the floor for questions and answers. It may be noted that the Company reserves the right to limit the number of members asking the questions depending on the availability of time at this AGM. The Company has provided the facility to cast votes electronically on the resolutions set forth in the Notice. Members who have not casted their votes electronically, who are participating in this meeting will also have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. Members can click on the "Vote" tab on the video conferencing screen to make use of this facility. Members are requested to refer to the instructions provided in the Notice of AGM for a seamless participation through video conferencing and also for the e-voting. In

case members face any difficulty, they can reach out the helpline numbers provided in the notice of AGM. Members may also note that this AGM is recorded. Thank you, Thank you Sir.

Mr. Vijay R Kirloskar : Thank you, Swapna, 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, colleagues on the Board, auditors for joining this meeting over video conferencing.

My fellow shareholders I normally like to give not reader speech but try and be close to y'all and therefore, before to give an extent of speech where I can explain to you all a lot of things that are happening. Now, first I would like to say welcome again and would like to now take you through what has happened to KEC and how we are going through our effort so that the company which has institutionalized for the last 75 years and now be institutionalized for the next 25 years plus. So, we can also like other Kirloskar companies have a 100 year celebration someday but only I hope I will be there, but that's a different matter. The last 2 years have been extremely, extremely difficult in fact, March 20 was when we hoped and we saw our numbers that we are really gonna look at it turn around and with all the old problems that we had were slowly going to fade away. Unfortunately, the 1st Covid wave and many waves come after that or have come after that, I've had a problem in Completely destabilizing the whole organization of KEC, one is fortunately we had very few yes, but we had enough people who went through the, COVID disease itself and I'm happy to say that most of us have now been vaccinated! Am I Right? All?

Mr. Anand B Hunnur : Yes, Right Sir!

Mr. Vijay R Kirloskar : So, I'm quite, happy tell you all that.

The 2nd is, it was not just the Company that had the problem because of absenteeism, because of health issues, not finding hospitals etc., but there was also the question of our Customers, our Bankers as well as our suppliers. Where we got hit the most is the suppliers. Because a lot of the employees on the suppliers went back home to be in safer territory. Similarly, the customers started postponing their deliveries and we don't know where to go because when one customer says he wants it, then, when the product is made, no I'll take it after 3 months. Then the whole cash flow went out of control. 2020-21 has been one of the most-most difficult years and I would say 19-20 was equally bad. Now, of course, there seems to be some sense of stability. I'd like to tell you some of the good things that are happening, one is we have reduced our count we have had all the employees cooperating with us to see that we bring down our, labor costs as well, as our employee costs. Second is we have also looked at joining and merging some efforts as well as bringing in new products, which is fundamental to this company. The new products that I would like to talk about is, one is we have associated the whole switch gear business and we are now starting to see slowly, but I definitely improvement in our order booking. The same way in our other products the brand is still very, very, very strong. In fact, we are very proud to tell you and my fellow shareholders that we have made certain Motors because of customer's demand and customer's urgency within a matter of 60 days to 80 days and this is something we are very proud of because, the kind of brand image it creates is even much better. What else can I tell you? We are also now quite well into the electric motion business that is the electric vehicle where we make the motors, in fact, the new Tata machines that like automobile, that is being put out as a Kirloskar Electric motor and we're trying to see how we can if necessary, try to say that It's Kirloskar Electric inside, like Intel inside on all your computers. This is a wish list of ours and I hope I can make it come true.

Other areas in Transformers, in motors and DC motors I think our orders continues to exceed our limits and our needs that means we're far more order booking than what we can deliver. We have also gone into traction business for railways. A lot of the products that had lost its, I would say importance are now coming back into the KEC stable. And I'm proud to say that over the next few years, we shall be again, go back to Rs. 1,000 Crores is my wishlist, before I become non executive chairman, but until that time, I will be here still leading the way. So with this I would now like to call the meeting and I may request Swapna Latha to read the auditors' report, with your read it at the 1st line or the last line. I hope we can take it as a read?

Ms. K S Swapna Latha : Thank you. Sir, the statutory auditors' report on standalone and consolidated financial statements respectively are available on page number 55 and 101 of Annual Report. The Secretarial audit report is also enclosed to the Board report on page number 38 of Annual report.

The independent auditors' report

To the members of Kirloskar Electric Company, Bengaluru
Report on the audit of the stand alone financial statements.

We have audited the accompanying standalone Ind-AS (accounting standards) financial statements of Kirloskar Electric Company Limited ("the Company"), which comprise the balance sheet as at March 31st, 2021 and the statement of profit and loss, including other comprehensive income, statement of changes in equity statement of cash flows for the year then ended, and notes to the financial statement, including summary of the significant accounting policies and other explanatory information. In our opinion.....

Mr. Kamlesh Gandhi : Company Secretary, May I interrupt! Can we have it as read and when you can read the last two lines with the

name of the member and the auditor because it's repetitive for both shareholders I think.

Mr. Vijay R Kirloskar : Yes, Mr. Audit Committee Chairman, we will do that.

Mr. Kamlesh Gandhi : Thank you so much

Ms. K S Swapna Latha : There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For K N Prabhashankar and company.,

Chartered Accountants

Firm Registration number 004982S

A Umesh Patwardhan

Partner

Membership number. 222945.

Thank you, Sir

Mr. Vijay R Kirloskar : I now like to Mr. Kamlesh, Audit Committee, we can we start to ask people questions if they have any right now?

Mr. Kamlesh Gandhi : Yes, they can, the floor is open to them.

Mr. Vijay R Kirloskar : The floor is open. My fellow shareholders, please ask your, please give us your number, your Folio number, your name and your questions, and we shall be happy to answer them either through Mr. Kamlesh Gandhi or through me or through my colleagues who are here.

Ms. K S Swapna Latha : Sir now I request first shareholder Mr. Dinesh Kotecha to ask your question, sir please un-mute yourself and ask the questions sir. Mr. Dinesh Kotecha?

Mr. Dinesh Kotecha : Hello, Can you hear me?

Mr. Vijay R Kirloskar : Yes, we can hear you Sir!

Mr. Dinesh Kotecha : Can you hear me please?

Mr. Vijay R Kirloskar : Yes!

Mr. Anand B Hunnur : Please go ahead, please go ahead

Mr. Dinesh Kotecha : Mr. Kirloskar and all the board of directors thank you very much for calling my name. Sir, I have got only one thing to say *“sab kuch khone ke baad agar aap mein hosla hai to samaj lejiye, aapne kuch nai khoya hai” (Audio in Hindi)* Sir,

Mr. Vijay R Kirloskar : Sorry!, I am not very....*(audio overlapping)*

Mr. Dinesh Kotecha : *“Sab kuch khone ke baad agar aap mein hosla hai to samaj lejiye, aapne kuch nai khoya hai” (Audio in Hindi)*

Mr. Anand B Hunnur : Can you speak in English please

Mr. Dinesh Kotecha : Very well. I would I would like to I, I would like to say. That, you know, uh, I got several point, but don't take it very seriously. I take it very seriously because I am, I am very much, you know, Kirloskar fan.

Mr. Vijay R Kirloskar : Thank You!

Mr. Dinesh Kotecha : So then the, in the company, they were mindless expansion, There was over confidence and complacency, there was no profit, there was no planning, control, coordination check and control system has been placed, discipline and care for public money must be taken. No ‘B’ plan in place for failure of execution of plan ‘A’, cumulative results, huge-huge carried forward losses to be added by current losses makes the sure case of a company, you know, in a big mess and they're getting difficult so, *“katin hai sir, katin Hein todasa aph la la” (Audio in Marathi)* let the yes, sir, you, you must know too many write offs are there in the company. I mean, this add severely to the injury of the working and, uh, I know, you know, uh, falling

failure is not falling down failure is lowering down. Your message in the chair in the balance sheet is very, very positive and Sir the EV Vehicles in India is going to come, how are we going to solve that particular market? And, uh, what is your plans for, you know, supplying to, uh, what you can say, uh, defense and, uh, are we having any defense, uh, uh, I mean, connection directly indirectly to the so called materials.

Okay, sure I would like to know I would like to know, what are the new products and the margin that we are going to envisage. And secondly, I would like to also have the list of top 10, shareholder, individual shareholder, non promoters and non institutional Shareholder's list and, uh, I wish you all the best, so don't be, sir *"ghabrunaka ghabrunaka asa hota chaltai"* (Audio in Marathi) so it is going on. Life is ups and downs Uh, yes and Hi tides and low tides comes, we are in the low tide but with your determination and you know confidence of the entire management team, we will definitely do better and better in years to come and the turnaround is just a formal, because I see Batliboi, Batliboi was only quoted at 10 Rupees when its AGM was held now it is quoted at 44 rupees. Similarly, we must also capture the market and see to it that we come up again with good products, good margins and Sir we would like to know how many key management personal has left the company in this uh, difficult times and in this five months, what have you overcome? What we feedback factor have you overcome, thank you very much and wish you all the best.

Ms. K S Swapna Latha : Thank you, sir. Thank you. Sir.

Mr. Vijay R Kirloskar : All right, okay. Can we finish all the questions? and then I shall happily answer them.

Ms. K S Swapna Latha : Yeah, next Mr. Yusuf Yunus Rangwala, Sir kindly un-mute and ask the question Sir.

Mr. Yusuf Y Rangwala : *(Audio not clear)*

Mr. Yusuf Y Rangwala : Hello, Hey, how are you.

Mr. Vijay R Kirloskar We can hear you.

Mr. Yusuf Y Rangwala : Sir, this is the 74th year annual general meetings Sir, I am supporting all the resolution, Sir, my humble request *(Audio not clear)* 75th year. How we are celebrating sir? So my humble request, I request some memorable *(Audio not clear)* must be of something from your company side Sir, that I will remember, sir from your side. *“Aap kuch bhi de dijiye, aisa coin banaiye matlab aisa koi cheej dijiye, jis mein aapka Kirloskar Electric ka rehettha hai” (Audio in Hindi)* Sir. And to mention, we are, we are, we are we are having a many devise our business, and sir we are the one of the leader in the Kirloskar. I am very oldest shareholder of your company, and our shares department is doing very excellent work.

Mr. Vijay R Kirloskar : Thank you

Mr. Yusuf Y Rangwala : Sir, You are from Pune and I am from Mumbai and I'm speaking from Mumbai Sir. My humble request next year if possible for the 75 year golden, Silver Jubilee year arrange a factory visit, my humble request Sir, nothing more to add. I wish our company good luck for the future Sir, as you as a Kirloskar is one of the leader. *“Sir isko apko koi zarurat nai Sir, mein sab pura group ka apka Shareholder hoon Sir, Jahan pe Kirloskar rehatha hai Sir, wahan pe puchne ka koi sawal nai hotha hai sir, kyunki aap ethna acha manage karte hai Sir, aur apka group sir laajawab hai sir, uske bare mein koi sawal nahi hai sir” (Audio in Hindi).*

Mr. Vijay R Kirloskar : Thank you.

Mr. Yusuf Y Rangwala : *“Chand mein chandini aur puche bigair aisa rehettha hai sir humara aisa hi haal rehettha hai sir. Aapse sir, milne ke liye*

Sir, mein bahut bekarar tha sir, aaj aapse milke sir muje bahut kushi hui hai, mein khuda ke pass aapke liye aur behadh aur sabke liye dua karta hun Sir, thank you very much sir, next year humein factory visit ke liye bulaiye sir, mera itna humble request hai sir, Thank you very much and wishing you all the festival sir, Diwali – Dusshera and thank you very much sir, nothing much to add sir aur aapki secretarial team bahut achi hai sir” (Audio in Hindi).

Thank you very much, I thank our secretarial team Sir,
Thank you very much.

Mr. Vijay R Kirloskar : Thank you

Ms. K S Swapna Latha : Thank you sir, Thank you so much for your kind words.
Next question by Mr. Shyam Vimlanand Koppikar. Sir please unmute yourself and ask the question sir?

I think Mr. Shyam is not available in the meeting, we will go to the next shareholder.

Mr. Rangan. Sir please unmute yourself, unmute and ask questions Sir.

Mr. Rangan is also not available.

Mr. Vijay R Kirloskar : Let me go over, no, no, can you so, let me ask, let me answer the questions to all my fellow shareholders, Okay as you have asked the first one, Mr. Dinesh Kotecha, I think the question they have asked, I shall try to answer them as much as possible. Firstly, none of the major Senior management have left we have deliberately downsized the size of the Company because we do not require that kind of support that we needed for 800 & 1000 crores. However, adequate support is there in engineering, adequate support is there in manufacturing and adequate support is there in sales and marketing and, of course, finance is the part of the company so that we have enough

people there. The Second part is, you've asked what are the new products we are making and some of the customers. Today we are, selling to Tata's, we are selling to Escorts, we are selling to Mahendras, to Sonalikas that they're also working with the Ahsok Leyland and the also the TAFE. So, we are very much into the field, we are improving our product and we are also looking at the new technologies in this product for the motor business, and we are seeing how we can support it. We have made new prototypes with new materials and therefore, I think we should be on the ball. As far as defense is concerned, we are in the defense business, we have uh supported the Indian Navy, depends almost exclusively on KEC. Recently, we know we did have a little problem, but I think we are getting back in there. Similar in the railways and traction business, they're also there and we continue to improve our performance. As far as the first 10 shareholders who are not promoters and not institutions if you don't mind, I shall send that to you on email. I think I've covered all the questions.

And, Mr. Yusuf, we would like to tell you. I would love to do & we will do 75th because of the conditions that we had in 2019, 2017 and so on. We kept our celebrations very muted that is my father's 100 anniversary similarly, but for 75th for KEC my 1st option and my 1st need and to see is to bring this company back to PBT, Okay, that is my biggest happiness and that would be the best thing I can give to you shareholders. So, whether we would like to have a celebration? Yes, we can do a factory visit, etcetera but right now the whole effort is to improve the manufacturing, improve the customer support and build on the base that we have lost. So, please, excuse me, if we cannot do much, but we will try and have a celebration and where the shareholder would benefit. The other thing I'd like to say is there is statutory responsibility which the government is imposed on us that Shareholders cannot be given any gifts. Okay, so, that restricts my options, but we

still have a year ahead. So let's see what we can do.

I'd now like to, if there are no more questions and the shareholders are comfortable with the answers I'd now like to move on the resolutions.

Ms. K S Swapna Latha : As the notice is already circulate it to the all the members, we can take the notice conveying the meeting as read before and we proceed to bring you a notice as required under the Companies Act, the company has provided the facility to pass the vote electronically on the resolution set forth. Members who have not cast their vote but participating in this meet will have an opportunity to cast their vote through e-voting system provided by the CDSL. Member may please note that there'll be no e-voting by show of hands however. Now, we take up the resolution as set forth in the notice. Now we open the floor for the notice.

Mr. Vijay R Kirloskar : Okay, the first resolution in the notice is the adoption of the auditing accounts standalone financial statement of the Company for the year ended 31st March 2021 together with the reports on the board of directors and auditors' thereon and the audited consolidated financial statement of the company for the financial year ended 31st March 2021 and the report of the auditors thereon and now I'd like to put this to vote! All in favor? Okay, anybody else you can go to the e-voting please.

The second resolution is Mr. Sanjeev Kumar Shivappa (DIN: 08673340), the Director (Finance) and CFO who retires by rotation, as a Director and being eligible seeks re-appointment. Sanjeev is here, he is doing a wonderful job and we'd like to see that he gets re-appointed. All in favor okay? At least passed unanimously or by majority.

Appointment of Sundar & Associates, Chartered Accountants, Malaysia as Auditors of the branch office of

the Company of Kirloskar Electric. All in favor? I don't see any negatives so we say it's passed by unanimity or majority.

Ratification of the remuneration of costs auditors for the financial year ending March 31st, 2021 it is a standard resolution for the cost auditor, this is as provided by the government to understand the Costing structure of various industries. So, for that we have a cost auditor, and he's been here for the last I don't know, fifty or seventy years. So all in favor okay? I don't see anybody against on the screen at least we say passed by majority.

Item 5 of the notice, appointment of Mr. Suresh Kumar as a non executive, non independent director of the company. All in favor? Okay, passed unanimously.

Thank you.

Thank you very much my fellow shareholders and note e-voting on CDSL platform will continue to be available for the next 30 minutes. Therefore I, request members who have not cast their votes yet to do so within the next 30 minutes.

The Board of directors appointed Sudheendra Ghali, Practicing Company Secretaries and in particular to supervise the e-voting process. Further I hereby authorized Ms. K S Swapna Latha, Secretary to declare the results of the voting and place the results on the website at the earliest. The resolution as set forth in the notice shall be deemed to passed today's subject to the receipt of requisite number of votes. We had, we have 70 members participating, so the quorum has also been there.

Okay, I just like to say a couple of other things that, you know, although we are going through some very difficult times and I'd like to say thank you to all my shareholders,

kind of standing by us, I would also like to say that the bankers are stood by us and our employees and our suppliers, but most important our customers, who continue to have faith in Kirloskar Electric. I keep coming back to us uh, we are very proud of this so with this, I shall close the meeting. And thank you very much for attending this meeting.

So the meeting is closed. Thank you very much.

Note: The results of each resolutions were declared after due scrutiny by the Scrutinizer and the same was uploaded on the website of the Company.