

WENDT (INDIA) LIMITED TRANSCRIPT

TRANSCRIPT FOR THE 40TH ANNUAL GENERAL MEETING OF WENDT (INDIA) LIMITED HELD ON FRIDAY, 22ND JULY 2022 THROUGH VIDEO CONFERENCING

Moderator: Good afternoon, sir. This is Rajita, your moderator for the event. You can start the meeting sir. Requisite quorum for the meeting is present. Thank you.

Chairman:

Ladies and Gentlemen,

I have great pleasure in welcoming you to the 40th Annual General Meeting of the Company convened electronically through Video Conferencing mode. I hope you and your family members are safe and in good health.

In view of the continuing COVID-19 spread across the nation as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') and also has also allowed companies to send Annual Reports and the Notice convening the Annual General Meeting electronically.

Considering the health and safety of all our stakeholders and in particular, the shareholders, the 40th Annual General Meeting of the Company is being conducted through Video Conferencing to avoid the physical presence of members at a common venue. The soft copy of the Annual Report has been sent to all the Members holding shares in dematerialised mode and whose e-mail addresses are available with the Depository Participant(s) as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company/RTA. The Company has also sent the physical copy of Annual Report to those Members who have specifically requested for the same.

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

The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or arrangements in which the Directors and the other documents mentioned in the Notice convening this meeting is available for inspection by the Members. Members seeking to inspect such documents can contact the Company Secretary.

As mentioned in the Notice convening the meeting, since the meeting is being held electronically, the proxy related procedures have been dispensed with which is in line with the regulatory requirements.

Introduction

Let me now introduce the Directors, Auditors and Senior Executives of the Company attending the meeting through Video Conference from their respective locations.

Today, we have the full Board with us. Mr. Lakshminarayan is joining us from Bangalore, Ms. Hima Srinivas from Hyderabad, Mr. Bhagya Chandra Rao from Bangalore, Mr Rajesh Khanna from Bangalore and Mr. N Ananthaseshan, joining us from Chennai. We also have our senior members management team. From Hosur we have Mr. C Srikanth, CEO, Mr. S Sundariya, Unit Head, Mr. Mukesh Kumar Hamirwasia, CFO and Mr. Arjun Raj P, Company Secretary. Our statutory auditors M/S Price Waterhouse, Chartered Accountants, LLP are represented by Mr. Amit Agarwal and Mr. B Srinath, joining us from Bangalore. Mr. R Sridharan, of M/s. R Sridharan & Associates, Secretarial Auditor as well as the scrutiniser for the e-voting process has also joined the meeting from Chennai. Your Company, by virtue of being a listed company, is required to provide e-voting facility to its shareholders. Voting by show of hands is no longer permitted. The Company has engaged the services of M/s. KFin Technologies Limited to provide the facility of remote e-voting to all its members to cast their votes on all businesses contained in the Notice. Voting will be in proportion to the shares held by the members as on a cut-off date, this being 15th July 2022 in our case. In line with the regulatory requirements, remote e-voting facility had been provided to the members of the Company for three days starting from 19th July 2022 till 21st July 2022. This module was disabled for voting by KFin thereafter. As mentioned in the Notice convening the meeting, for such of those members who did not or could not avail the remote e-voting facility, the Company is pleased to provide the facility to cast their votes electronically during the AGM on all the proposed resolutions through KFin's Instapoll mechanism. The Instapoll facility will be activated at the end of the meeting. Members can avail this facility and cast their votes on the resolutions proposed in the Notice. Let me reiterate that this facility is available only to those members who have not cast their votes through the remote e-voting facility provided earlier by KFin. In case any member who has already voted in the remote e-voting, he/she will not be able to cast his/her vote again through Instapoll.

The Board has appointed Mr. R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretary for scrutinising the e-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by Mr. R Sridharan, the Scrutiniser. He will then unblock the results of the remote e-voting which will then be consolidated with the results of the voting done today during the meeting. The Voting Results along with Scrutiniser's report will be communicated to the Stock Exchanges

within two working days and the same will be placed on the website of the Company and on e-voting platform of KFin.

To sum up, the following is the schedule of today's meeting:

After I conclude my speech, Mr. Srikanth, CEO will present the operational highlights during the year 2021-22. After the presentation, those of you holding shares in your name and registered as a Speaker at the meeting will be invited by the Moderator. Considering the time of all those attending the meeting, we request the Speakers to be brief and restrict their address to matters relevant to the business contained in the AGM notice. After this, the questions or queries raised by the Speakers or by shareholders who have already registered the same in the link provided by KFin for this purpose would be tabulated and answered. After the queries have been answered, the meeting will conclude and those of you who have not yet cast your votes would be given the opportunity to exercise the same.

Now we'll proceed with the meeting.

Chairman's speech.

Ladies and gentlemen, good afternoon. A very warm welcome to you and every one of you. It gives me great pleasure to greet you all at the 40th Annual General Meeting of Wendt (India) Limited. The Annual Report for the financial year 2021-22 has been sent to you some time back and I trust it would have given you an overview of the performance of the Company.

Economic scenario - the year gone by

The year 2021 brought hope for global economic growth following 2020 corona virus caused downturn, largely owing to the development and widespread deployment of COVID-19 vaccines despite the emergence of new variants. High energy prices and supply chain pressures have spurred record high inflation. India began 2021 with high hopes buoyed by vaccine optimism only to be bogged down by the disastrous Delta variant led second wave. Quick recovery backed by less stringent lockdown conditions resulted in minimal impact as compared to the conditions during the first wave. The Reserve Bank of India maintained its accommodative stance throughout the year along with record low interest rates in a bid to support nascent recovery. The resultant high liquidity coupled with supply chain issues and semi-conductor chip crunch led to soaring input cost and pinching inflation. In this context, the Government took number of structural reform measures like PLI schemes across 13 sectors to boost manufacturing, rationalization of customs duty to promote domestic manufacturing and grow exports, thrust on renewable and non-conventional energy to reduce dependence on fossil fuel, digital payments, single window clearance for new manufacturing units set up, faceless assessment, and tax administration etc. Towards the end of the FY 2021-22, the uncertainties caused by the

Russia -Ukraine war and the resultant economic impact including sanctions imposed on Russia, leading to surge in global crude oil and gas price, food grains like wheat and corn and several other commodities cast a shadow on India's growth prospects and the cascading inflationary trend. This has led to downgrading of Indian GDP growth for FY 2022-23 to 7.4% (FICCI) & threat of increased current account deficit. Besides, the increase in commodity price along with supply chain issues will be a testing time for Indian industry. Continuing inflationary pressures could dampen consumer sentiment and reduce consumption expenditure. In short, FY 2022-23 will be a challenging year for businesses and the Government to continue the growth momentum.

Business results

Despite the challenging business conditions, your Company clocked a top line of Rs. 15812 lakhs during FY 21-22, which is higher by 32 per cent over the previous year. This is the Highest Ever Sales achieved by your company. Your Company's domestic sales was Rs. 11858 lakhs during the year, higher by 37% over the previous year. The increased sales was on account of higher demand from user industries like auto, auto ancillaries, bearings, steel, ceramics, cutting tools, glass etc. and initiatives like new products development, regaining lost business, horizontal deployment of successful products, additions of new customers etc. Exports were at Rs. 3954 lakhs during the year, higher by 20% over the previous year due to increased sales to countries like USA, UK, Germany, Korea, Taiwan etc. Accordingly, your company clocked its Highest Ever Profitability with Profit Before Tax of Rs 3615 Lakhs (growth of 119% over the previous year) and Profit After Tax of Rs 2710 Lakhs (growth of 110% over the previous year).

Capex

Your Company follows the policy of being prudent in its capex spend. During the year, your company spent Rs. 608 lakhs. The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and new products capacity enhancements, which are critical for the future growth of the Company. As in the past, the Company's strong cash position enabled funding of all capex through internal accruals.

R&D

The Research and Development department of the Company represents the activities it undertakes to innovate and introduce new Super Abrasive products and services to improve its existing offerings. The objective of R&D is to design and develop new processes/products through the advancement of Materials Science & Machining Techniques towards providing the "Complete Grinding Solutions" to its customers. The Company's R&D facilitates the development of future products or the improvement of current products and/or operating procedures. The Company's R&D centre continues to be recognised by Department of Scientific and Industrial Research (DSIR) under the Ministry of Department of Science and Technology, Government of India.

The Company's in-house R&D also collaborates with renowned institutes & laboratories to further strengthen existing technology, complemented by new methods of manufacturing. Increasing implementation of these manufacturing technologies drive the demand of products for Bearing & Guide Ways, Gears, Cam & Crank shaft and in industries like Semi-conductor, Biomedical, Aerospace, Cutting Tool, Engineering & Auto Sectors.

Business Focus

Your Company continues its dedicated efforts in pursuing business in its major verticals namely Super Abrasives and Non-Super Abrasives comprising Machines, accessories, and Components.

Super Abrasives

During the year, with the widespread vaccination leading to less stringent lock down conditions resulting in pent up demand, your company took initiatives like regaining lost business, new products development, horizontal deployment of successful applications and products, exploring new customers, opportunities, and markets etc. These initiatives helped in the Super Abrasives business achieving its highest ever sales of Rs 11051 lakhs during the year, growth of 37% over the previous year.

Non-Super Abrasive business

The Non-Super Abrasive business comprising machines, accessories and components clocked highest ever sales of Rs. 4761 lakhs, growth of 22% over previous year.

The machine product category grew by 8% over the previous year, despite the global shortage of semi-conductor chips, your company ensured timely execution and delivery of machines to the customers through better planning and bulk ordering of the parts for the entire year. Some of the new machines developed during the year include portable oxygen concentrators CUMI Jeevan, lifeline for COVID 19, Profile testing machine WHS 100V, Single Pass Honing WSP 350, CNC Wheel Dressing Machine OPRA 400, Angle Wheel Head Machine AWH, Surface Grinder WHS 500H -2 metre length long bed besides existing range of High precision TC Ring Grinding machine. These machines have been well received by the market.

The Precision Components product category grew by 43% over the previous year. The key initiatives included business in shoe cam roller for off road vehicles, besides regular business of components for pump vanes. The Company continues exploring new business opportunities in aerospace, compressor & hydraulic parts, special inserts, Carbide industry, deploying its core competencies and knowledge on Grinding, Machines & Super Abrasive Tools for producing related precision components.

Focus on Process efficiency

The Company continues to focus on improving operational efficiency as well as optimal utilisation of various resources in manufacturing and production areas. The QRM (Quick Response Management) Initiative which started as a pilot project was extended to one more product group during this year. The project envisages reorganising the machine layout in the shop floor thereby reducing lead-time/ waiting time between workstations and improvement in shop floor inventory and other resources. This initiative is beneficial in addressing some of the key areas like planning and scheduling, production reliability, materials availability, and quick product delivery. The success of pilot project has laid the way to extend the QRM initiative to other manufacturing lines also. The Company ensures maintaining minimum inventory levels while safeguarding on-call supplies and on-time delivery to customers.

Cost Optimization Projects

The year witnessed widespread commodity price increase along with supply chain disruption. Your company managed its costs by operational efficiency measures like waste & rejection elimination and control, conversion of aluminium scrap into ingots, indigenization of some purchase items, using digital platforms for procurement, control on fixed costs etc. Besides, your company started negotiating annual price with critical suppliers and bulk buying based on demand projection. To combat supply chain disruption, company continues developing alternate suppliers as part of de-risking strategy. Initiatives like Vendor Managed Inventory (VMI) ensured continuity of supplies of critical items including cost rationalization. Besides, focus on cost optimization function wise has yielded savings in the business segments. The rigorous variable and fixed cost reduction initiatives undertaken during the year has resulted in improving the bottom line.

Major Recognitions and Awards

Some of the key recognitions and awards received during the year are as follows:

- QCFI -CCQC 2021 Competition
10 teams participated in CCQC Competition during November 2021. 9 teams won Gold Award and 1 team bagged Silver Award.
- Employees participated and won awards in the 'Virtual CUFEST 2021' Group level Quality Competition for Sustainability Quiz, Suggestions, SCM Excellence and Sales Excellence.
- Mr. Mukesh Kumar Hamirwasia, CFO was awarded by Inflection Ventures as CFO of the Year Engineering 2021.

Subsidiaries Performance

Wendt Grinding Technologies Limited (WGTL)

The Company's wholly owned subsidiary, Wendt Grinding Technologies Limited, Thailand, achieved sales of Rs. 2298 lakhs which is 32% higher than the last year. This is despite unprecedented challenges and industry slowdown on account of political uncertainties, rising costs and all odds. The subsidiary continues to demonstrate its strong resolve and business acumen challenging the unfavourable conditions and churning out good results on a consistent basis.

The Profit Before Tax was Rs. 382 lakhs and the Profit After Tax has been Rs. 302 lakhs, 32% higher over previous year.

Wendt Middle East (WME)

As you may be aware, Wendt Middle East FZE ('WME'), Sharjah, the other wholly owned subsidiary of the Company, had applied for voluntary de-registration during last year and there were no operations. The subsidiary clocked loss of Rs. 29 lakhs.

During the year, WME has completed de-registration related procedures and has repaid the share capital to the Company. Clearance from the Hamriyah Free Zone Authority (HFZA) was received in May' 2022 post which WME is now formally liquidated/ de-registered.

Corporate Social Responsibility

The Company's Corporate Social Responsibility programmes are aimed at inclusive growth and sustainable development of the community.

During the year, the company gave a grant to Hosur Industrial Association ('HIA') towards building Skill Development Centre, thus enabling the Company to support the infrastructure for skill development in the area in which it operates. The company had made similar grant during the previous year also. HIA was set up in the year 1981 with an aim to protect and promote the interests of industrial establishments located in and around Hosur. Considering the increasing unemployment due to lack of requisite skill and to bridge the gap between the skill requirement versus the actual skills available, a Skill Development Centre has been built by HIA in Hosur to promote education in the field of technical trades as well as commercial education like ERP, use of computers etc. HIA is registered with the Ministry of a Corporate Affairs for the purpose of undertaking/implementing CSR activities on behalf of the Company.

Besides, your company continues to run Skill Development program jointly with CUMI which provides quality vocational and technical training to under privileged youth from weaker sections of the society by uplifting their life and equipping them with employable

skill sets. This training program is designed based on the coaching methodology defined by Government of India, Ministry of Skill Development and Entrepreneurship. The Company, during the year 2021-22 has spent Rs. 32.13 lakhs towards CSR activities and no amounts remain unspent at the end of the year.

Dividend

In line with the good results, the Board has recommended a final dividend of Rs 45/- per share of Rs. 10/- each) for the year ended 31st March 2022. It may be recalled that, an interim dividend at the rate of Rs. 20/- per equity share of Rs. 10/- each was declared in January 2022 and paid in February 2022. This aggregates to a total dividend of Rs. 65/- per equity share of Rs. 10/- each for the year, which is significantly more than the previous years' dividend (Previous Year aggregate: Rs. 30/- per equity share).

First Quarter Results

Wendt India Standalone Results

The Board has just taken on record the quarterly unaudited financial results for the first quarter ended 30th June 2022. The first quarter performance put forth by your Company is as under:

- Total Sales has been at Rs 4288 lakhs (Growth of 16% Y-O-Y, -2% Q-O-Q)
- Domestic Sales at Rs 3184 lakhs (Growth of 17% Y-O-Y, -9% Q-O-Q).
- Export Sales at Rs 1105 lakhs (Growth of 14% Y-O-Y, 25% Q-O-Q)
- EBIDTA at Rs 1072 lakhs (Growth of 27% Y-O-Y, -2% Q-O-Q)
- PAT of Rs 694 lakhs (Growth of 30% Y-O-Y, -13% Q-O-Q)

Y-O-Y- Comparison of current quarter (Q1' 22-23) vs. corresponding quarter of previous year (Q1' 21-22). Q-O-Q- Sequential-Comparison of current quarter (Q1' 22-23) vs. immediately preceding quarter of previous year (Q4' 21-22) The higher top line growth owing to effective execution of current year business strategy and continued focus on market share growth has resulted in higher profits.

Subsidiary Companies

WGTL

Your subsidiary, Wendt Grinding Technology Ltd, Thailand,

- During the 1st quarter reported a Top line of Rs.549 lakhs (Growth of -19% Y-O-Y, 32% Q-O-Q).
- PAT is Rs 65 lakhs. (Growth of -41% Y-O-Y, 103% Q-O-Q).

Way Forward

Your company is exploring locating finishing services near to customers or market to serve them better. Pilot project is under consideration for the precision products category. Your company would explore new user segments based on megatrends, especially in Defence, Aerospace, Agro sector – like Farm Equipment, Tractor, Pharmaceutical & Medical equipment and focus on the Emerging Opportunities. Also, the Government of India's Productivity Linked Schemes (PLI) for sectors like specialty steel, Auto and auto components, white goods (ACs) etc. should give significant boost to your company's products. Your Company's strong fundamentals, unrelenting spirit to innovate and cater to customer needs demonstrate perpetual resilience. Your Company would continue to develop new products, new applications including development of import substitutes while tailoring existing products to cater to the evolving market trends and changing customer needs.

Leadership

Mr. Rajesh Khanna, Non-Executive Director would be retiring at this AGM and we are thankful for his support and guidance and wish him well. I thank all my colleagues on the Board, for their valuable guidance and support during these crucial times. Their continuous encouragement and guidance during these unprecedented times is a great source of inspiration to navigate the future with optimism. I have special words to acknowledge the collective efforts of the Wendt India team (employees) working tirelessly to ensure the company continues in its growth path. I thank all our stakeholders, customers, suppliers, vendors, bankers, authorities and of course you - the shareholders for your unstinted support and encouragement. Thank you, Ladies and Gentlemen. Now Mr. C Srikanth, CEO will share the operational highlights for the year 2021-22.

Mr. Srikanth C, CEO: Thank you sir. Good evening ladies and gentlemen. Let me take you through the operational performance. Last year we took a theme of rejuvenating, reinforcing and regaining. With focus on energy we have arrived at this theme and based on the theme, we operated and the result has been shared by our Chairman. Next slide please.

The presentation may contain forward looking information relating to future business developments and prospects, company's financial results and economic performance that involve substantial risks and uncertainties. While such forward looking statements represent the company's judgment and future expectations, changes in such assumptions or factors could produce significantly different results. The information contained in this presentation is as of date. The company assumes no obligation to update any forward looking statement in this presentation as a result of new information or future events or developments.

Brief on Wendt

Your Company is situated in Hosur near Tamil Nadu. It's about 16.28 acre and the total strength of manpower is 475 people. Next slide please. This is our Company's mission statement. A dream to become a multinational company operating in manufacturing plants and sales offices in Asia and Pacific. A dream to assume global leadership in wheels, tools and hones manufacture in the Wendt group. A dream to become the company with the highest market capitalizations in the CUMI subgroups. A dream to become the company that will be the benchmark for all ratios in the Wendt & Murugappa. Our mission aims to be a customer intensive, innovative company with a strong total quality management approach leveraging the parental association to become a world class company in the field of Super Abrasives product, Machinery and Precision Components in the geographies it operates. Next slide please. This is our fundamental strength, well nurtured talent and business knowledge base. So, we have people working in this company for long years. We make a comprehensive product range, we have state of the art manufacturing process, high level customization, we do it, Sound financial positions we have. Next slide please.

Our manufacturing programme is unique. This is the only company, it makes tools and machines and we make components. So unique value propositions we give to our customers. Next slide please. Industry and product portfolio is again, our Company is having a complete range of products starting from resin bond to precision components and machines and we cater to various industries starting from Automotive Cutting, Defence, Aerospace and Construction Industries. Next slide please. As our Chairman has said, last year the revenue was 158.12 crores. PBT we have done of 36.15 crores and PAT of 27.1 crores. In the segments of super abrasives, we're done 110.5 crores, which is 69-70% of our total business. Non Super abrasive segment is 30%. Next slide please. Our subsidiaries in Thailand have generated revenue of 22.98 crores in Indian rupees. This is our global reach. Major customers are across all the globes, all the countries. They are catering to GRP of the countries are our partners and we also supply directly to the customers. Next slide please. These are all our major customers. Federal Mogul, Bosch, all the global companies. They are all having a high market share in the field they operate, bearings, cutting tools, auto, auto components. BHEL, then steel companies and HAL, it's almost all the major companies in their industry segments. They are our patronage customers for a long time.

Your company last year had a very safe year, except one first aid incident. It's been incident free for the whole year. All the people in this campus, have completed their double doses. We are 100% vaccinated Company. We are in the process of doing a booster dose. Now, government has given clearance below 60 years and we are in the process of doing this. Next slide please.

We have all the management systems certifications namely ISO 14001, 9001. Last year your Company has got audited for aerospace. We are building a capability to produce components for the aerospace industries and it has been audited by TUV and certified for EN 9100- 2018. Next slide please. This is our product range. As I said, we have a complete range starting from resin and metal, vitrified electro platings and we cater to all major industries in India as well as the globe. Next. The industry segment, as I said, it's spread across automobiles, engineering, cutting tools, glass, ceramics and bearing industries. These are our offerings, in machines we have CNC horizontal and vertical honing machines, cylindrical grinders, creep feed grinders, rotary surface grinders for all automatic defence and aerospace industries. Next slide please. The components we make, fuel injector components of assemblies, and also carbide inserts for grinding.

This is the standalone financial performance of your Company. The Company has attained 33% growth over last year aggregating to Rs. 158.12 crores, and EBITDA of Rs. 38 crores, growth of about 104%. The PAT of the Company stands to Rs. 27.1 crores, with a growth of about 110%.

The highlights for the whole year

It's a safe year and people's engagement has improved. Active participation and involvement in all the projects and functions, process building resulted in continuous improvement, meeting customers changing demands and requirements. Products, there is a good progress in substituting imports in India and a few milestones we have achieved in the machine tools and we are the single largest company making such capable machines in India. Overall Performance, we are at 106% to plan and 33% growth over previous year. In super abrasives there is a growth of 37% and highest ever sales. We have done about Rs. 110.5 crores. Then domestic sales of Rs. 77 crores, which is 34% growth. And we're mainly focusing on import substitutes, lost business regain and new product development. Export sales, your company has done Rs. 33.4 crores, growth of about 44% over last year. Focused approach we did five countries specifically USA, UK, Germany, Korea and Taiwan.

Non super abrasive business

We have achieved the highest ever sales of Rs. 47.61 crores, with 22% growth. We had mainly catered a lot of machines for steel industries. First time executed two meter length long bed, precision CNC surface grinding machines. We are the single company who has got into this range. Online commissioning of machines with online support to customers. Precision components focused on aerospace. We have been certified for aerospace process. Established manufacturing cells and started making component which are in the pilot stage of getting approval from various customers.

We have done a dealer meet which we are focusing on to strengthen our feet in industry. These are our events and celebrations for rewarding the right people, right achievement in line with our business objectives. And retirement, the people, who retired have been given farewell with the due respect to their contribution to the company. Then we focus on 5S. All that team, 5S score has been recognised. Also we have recognised people who go out of their way to meet the customer requirements. They have been recognised as the brand ambassadors. There is then internal, outside also our team goes and wins a lot of awards in the quality competitions and including group level competition on various forums. Especially CuFest 2021 and our team has competed with the entire group then got award for this. We celebrate ayutha pooja, Christmas, New Year, Pongal and also Republic day and Independence day. Safety day has been celebrated. We call people for celebrating from our local town. And mock drill has been given regularly to create awareness. We have done annual health checkup for our entire team and Women's Day has been celebrated as part of our employee engagement program.

Next Our subsidiary, Wendt Grinding Technology in Thailand has seen growth of 29% over last year and overall is 25% growth over last year, i.e. amounting to Rs. 23 crores. Strong customer engagement and revalidated for ISO9001. As the Chairman mentioned, Wendt Middle East subsidiary volunteered for de-registration last year since the Company has not done much transaction. The clearance certificate has been obtained from HFZA. And we have shifted our major customers to Wendt India and we started serving from here and continuing the business. Next moving on to Consolidated Results. We have done about Rs. 177 crores in revenue, about 31% growth over last year and PBT of Rs. 36.91 crores, with 117% growth and PAT of Rs. 27 crores with 112% growth. And this is your company's performance from 83 onwards, which is about 19.7 % CAGR starting from inception. This is asset standalone company. In last ten years we have been growing at 4.25% growth. Earning per share is Rs. 135.49 per share. So dividend, as our chairman said, 650% has been given to the shareholders. Next slide please. For the year 22-23, there are headwinds. Global economy is expected to have a rough weather due to Russia-Ukraine war. And input price continued to increase, we continue to have supply chain challenges and currency fluctuations. There are tailwinds, Auto industry's revival in the domestic market and steel industry is expected to grow. For the headwinds, we have been planning to address through continuous customer engagement for Super Abrasive business, market share improvement and continue to have an import substitute, horizontal deployment of established products. We continue new product development drive and strengthening our dealer management. And on export front, we are focusing ten focus countries and by developing customers and key accounts and focusing on dressing roll and products like electroplated products, focusing on bearing, guideways, aerospace and cutting tool and engineering and farm equipment. Next slide please.

We will be focusing on established machines and achieve the sales by using marketing. Moving from industry specific machines to application based machines with few design

changes. And in the component business we are in the process of commercializing the developed products which are under development, we will quickly conclude and convert into business. We have continued to improve our capabilities in aerospace and EV segment which is going to be the future industry trend. So, these are our focus industries. Currently we are focusing on materials. We are trying to build our technical capabilities to address our product. Defence and aviation industries, which government of India is giving lot of thrust and the glass industries which growing is becoming prominent in India and we are establishing products in these industries. In auto and auto component industries, we are building our strong base. Next slide please. The cutting tool industries is another segment, we are continuously developing products and improving our position against competitions. Steel Industry is our stronghold for both our machines and super abrasives. We are continuing to focus and looking at customer demand. We are improving our machines capabilities, reducing simple automations based on the customer demand and we are strengthening our product portfolios. In razor blade industries, again we are strengthening our hold and expanding our reach across the globe. The Board of the Company has taken on record the Q1 performance and results. We have achieved revenue of Rs. 42.8 crores and with growth of 16% over last year and PAT of Rs. 6.94 crores with growth of 30% over last year. Thank you.

Chairman:

Thank you Srikanth. Moving on to AGM resolutions. Ladies and Gentlemen, the Notice dated 22rd April 2022 convening this meeting along with the copy of the annual report for the financial year ended 31st March 2022 has already been circulated and with your permission, I shall take the same as read. The Auditor's report on the financial statements of the Company does not have any qualifications or observations or comments on the financial transactions or matters as having any adverse effect on the functioning of the Company. There are no qualifications, observations or comments in the Secretarial Auditor's report as well. Accordingly, the reports are not required to be read out at the meeting. The Ordinary businesses set out in the AGM Notice pertain to:

1.	Adoption of Standalone Financial Statements for the year ended 31 st March 2022 together with the Reports of the Board of Directors and Auditors thereon.
2.	Adoption of Consolidated Financial Statements for the year ended 31 st March 2022 together with the Report of the Auditors thereon.
3.	Declaration of final dividend of Rs. 45/- per equity share and confirmation of the interim dividend of Rs. 20/- per equity share paid during the year
4.	Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company and for fixation of their remuneration

The Special businesses set out in the AGM notice pertain to:

5.	Taking note of retirement of Mr. Rajesh Khanna, Non- Executive Director
6.	Re-appointment of Ms. Hima Srinivas as an Independent Director
7.	Approval for payment of remuneration to the Directors of the Company

The resolutions and the explanatory statement in respect of the above proposals wherever applicable have been provided in the Notice.

Few shareholders have registered themselves as a Speaker for raising queries/questions at the meeting. I now request the moderator to facilitate shareholders to speak/raise clarifications regarding the accounts and operations of the Company during the year 2021-22 in the sequence of their registration. In the interest of time and with a view to give adequate opportunity to all, I request members to be judicious in time and restrict the same to 3-5 minutes. We will hear all the queries first after which I would be pleased to give my responses to your queries in consolidation or have them answered by my colleagues. Thank you.

Moderator: Thank you Sir. I invite Mr. Santosh Kumar Saraf. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Saraf: One minute, yes. Hon'ble Speaker, members present and my shareholder brothers and sisters who are present through the video conference today, I greet all of you. I hope you are as many directors as we have, all the officers, at this time you will be healthy and safe sir. Sir, I thank the management for performing very well this year and giving dividends sir and sir I also thank your chairman speech which was in great detail and my doubts have also been cleared sir. Sir, I had sent a letter earlier, sir, maybe you would have got it on your table, so I will not go too deep and i will brief it. If you have got it, tell me, sir.

Chairman: Mr. Arjun, have we received it?

Mr. Arjun: Sir, we have received your questions. We will respond.

Mr. Saraf: Okay, okay. So sir, I have seen that there are very less women employee in the Company. Out of the total employees of 380, only 25 women are employees. Almost you understand that there is a female employee at every 10, 12 male employee. I would like this ratio to be increased because the next president is also our woman and the finance minister is also a woman sir and is performing very well. Apart from this, sir, we have as many players, women who bring more gold medal women, sir. I understand that women can work anywhere if they get a chance in any field, sir. The second is sir, what steps have you taken to dispose of the e-wastage that comes out here, sir? Because nowadays the e-wastage is unclear to the environment, it is very difficult to dispose it.

About single use plastic, I have asked what steps have been taken to stop its use. You have not shown the facility of health insurance, maternity benefit, and paternity benefit to the employees in the report. Paternity and maternity benefit are necessary nowadays, government laws are also present. Bother to tell me about it, sir. And I will not take much time sir. Sir, I would like to say that this video conference meeting is very good, the physical meeting is in our Bangalore I have also attended once but I tell you that video conference meeting is better. The shareholders who are in the whole of India can also attend, I can attend from. I feel very good to attend your meeting and in a day or two I will recover from COVID, then I would like all our employees who have their family to get the third dose which is free of the government. If possible, organize camps in your factory so that they get this dose. To give time, once all the directors, all the officers and all our employees and brothers, who are sisters, wish them a long life and pray to God that we have healthy year for them, their family. Jai hind. Jai bharaat. Namaskar.

(Mr. Santosh Kumar Saraf, the speaker addressed the Chairman, Board and all the stakeholders participating in the AGM in Hindi. The speaker's address is translated and reproduced in English.)

Moderator: Thanks Mr. Saraf. I invite our next speaker, Ms. C E Mascarenhas to kindly unmute your audio, switch on your webcam and proceed with your question.

Ms. C E Mascarenhas: Hello, Hello. Am I audible?

Moderator: Madam you are audible. Kindly proceed with your question.

Ms. C E Mascarenhas: Yes, okay. Respected Chairman, Mr. Srinivas ji, the Managing Director other board members, shareholders attending this meet. I am Mrs. C E Mascarenhas. I'm attending from Mumbai. First of all I thank the Company Secretary, Mr. Arjn Raj P and his team for giving me the electronic copy of annual report. I would prefer a physical one, I forgot to write to you when e-notice was sent. Thank you also to KFin team. The balance sheet is very informative and adhering to all the norms of corporate governance. Our sales are up and this time our profits are really stellar. Our EPS is gone to rupees 136. I think it is the highest among all the years and dividend is excellent, rupees 65, including the interim. When I just was looking at our balance sheet our share capital is 200 as against reserves. I would feel and I don't know what the board was thinking, what about giving bonus? Because when things are going good then bonus could have been declared. Here, I want to know when was the last bonus given?

Now next is, I congratulate for all the awards and accolades as given in the Annual Report. Very good. I appreciate the same very much. Here I would like to ask you whether we have done some ESG rating and if rated, the name of the ESG rating and the name of the rating we have got.

We are the supplier for many automobiles, auto component, engineering, aerospace, defence, ceramic customers for their super abrasive tooling solutions, grinding and honing machines and precision components. Here I would like to know where in which sort of vertical is our core component? Number two, are we in for any PLI benefit? Three, are our margins affected by the geopolitical supply issues like supply and logistic bottlenecks and also the rising interest cost due to inflation and also from the falling rupee, as we have import both the sides. I would like to know in percentage how much of our sales is spent on R&D? Remaining, I support all the resolutions. I would like to ask you for the future road map for this company in 10 year time. I have supported all the resolutions, I wish my company all the best and especially good health to you and the full Wendt team. Thank you so much. May God bless.

Moderator: Thank you ma'am. I request our next speaker Mr. Aspi Bhamashah Baisania. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Aspi: Hello. Am I audible?

Moderator: Yes sir, you're audible and you're visible. Kindly proceed with your question.

Mr. Aspi: I'm Aspi from Bombay, I'm a shareholder for many years but this is the first time I am attending the meeting. Thanks to video conferencing facility. And I hope you continue with this hybrid system even when the physical AGM starts. Sir, we've done very well last year, year on year. But first quarter as compared to the Q4 of last year, sales income is flat, PBT has reduced, mainly due to segment profit of machines and accessories. Sir, what are the reasons for low Q1 sales of machines as compared to Q4 of last year? Sir, machine segment performed very well last year.

Sir, what is the roadmap for the next two years for the Company? How much sales increases, how much profit increase or how much margins can we expect? Sir, investment plus cash on 31st March is about Rs. 78 crores. So, what are our plans? I would not like you to increase the dividend. This time you increased the dividend from 30 to 65 rupees. I would like you to go for a buyback, which is tax efficient from the shareholders point of view because dividend we have to pay full tax. Sir, how much of our total company income comes from steel sector and what is the breakup of other sectors? Sir, I request the Company Secretary to please inform the speaker number to our shareholders beforehand because KFin only sends the link. They don't inform the speaker number and I'd sent an email but nothing happened. I didn't get any reply also. And I would also like to have a physical copy of the annual report henceforth. And last speaker asked for bonus. I'm not in favor of bonus. I would like our company's share price to sort of

compete with MRF rather than just increase the equity for nothing. Thank you very much and all the best for the future.

Moderator: Thank you sir. I would now request our next speaker Mr. Yashasvi Kothari. We request you to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Yashasvi Kothari, we request you to kindly unmute your audio, switch on your webcam and proceed with your question. No responses received. I request our next speaker Mr. Ashok Chakravarthy. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Ashok: Very, very good evening. Sir my name is S Ashok Chakravarthy. I wish to know whether my audio and video are clear sir?

Chairman: Yes, yes clear.

Mr. Ashok: Sir, my name is Ashok Chakravarthy speaking from Bangalore. Good evening to the board and to all my fellow shareholders. First of all, I wish to congratulate the management for the results and the dividends. The next subject what I just wish to request is, as requested by my earlier shareholder, now the share market price has I think has crossed some around 8000 or something. It is, as it will be liquidated as far as liquidity is concerned. If the management considers bonus, the liquidity could be improved and the market price also can go up sir. I cannot say that we should not compare with MRF. We can also think of other company instead of comparing MRF. We can also think of comparing a company like Wipro or Infosys or like companies. They have gone up anything, just because of policy issues only sir. So, what I request because of the market price, very high market price, please consider bonus issue sir, as early as possible sir. One more request is, in the general body meeting conducted in 2019, the management assured us for a factory visit sir. Now, I think that because situation has come to normal control. I will be thankful and glad if the management considers factory visit at least in the present year sir. I also wish to know from the management, what will be the global impact of the global factors for our business sir? In any, is it in a positive way or in a negative way, sir? Thank you very much, sir.

Moderator: Thank you Mr. Ashok Chakravarthy. I request our next speaker Mr. Sanjog Saraf to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Sanjog Saraf, we request you to kindly unmute your audio, switch on your webcam and proceed with your question. No response received. We'll move on to our next speaker. I request Miss Shyama Sundari Narang to kindly unmute your audio, switch on your webcam and proceed with your question. No response received. I request Miss Anju N Sharma, to kindly unmute your audio, switch on your webcam and proceed with your question.

Ms. Sharma: Yeah. Thank you for this opportunity and I would appreciate the management to explain the business. I have one request, if you could just upload the presentation on the website, it will be helpful. I have sent my questions, but I will repeat them very quickly. After a long time we have shown a strong financial performance. So what's the reason for that? Is there an improvement in the market size or has there been a market share improvement from our side? Second is, how structural is the improvement? Is there any change in the competitive intensity or change in our product mix? Some thoughts into that please? We had a very strong growth again, export growth. This has come after some time. So is it due to new markets and new products or we've managed to pull along in the existing markets or with existing products? We've been talking about adding a number of new products over the past few years. So just could you give a sense as to over the next three, five years, what could the status of new products or new segments and new sectors? On a thumb rule basis, what is the annual contribution from new product, new sectors? Of the total domestic requirements of super abrasives, how much is imported? And my last question is, we had stated that super abrasive industry is expected to grow at a CAGR of 6.6%. What is our estimate of the growth of the super abrasive industry over the next over the same period? Appreciate if you would reply those one by one. Thank you so much.

Moderator: Thank you. I request our last speaker, Mr. Bharti Saraf to kindly unmute your audio, and switch on your webcam and proceed with your question. No response received. With this we have given the opportunity to all the shareholders who have registered themselves as a speaker. Back to you, Chairman sir, Thank You.

Chairman: Thank you very much members for your queries and interest in operations of the Company. May I now request Mr. Srikanth to respond.

Mr. Srikanth: Thank you sir. Mr. Santosh Kumar Saraf, he has given the questions and he was asking about e-wastage of our Company and businesses. We are complying this requirement and is under control. The next question is on the plastics usage, single use plastic usage. As per the government regulations, below 70 microns we should not use and we are complying with. Now the next question he has asked about insurance, accident insurance for all the employees and we are complying. Harvesting rainwater, he has asked in percent and our capacity of the rainwater harvesting is 1.2 billion litres. It's roughly about four to five times rotated and is being effective. Booster dose part I covered in my part of my presentations. And then there is gender ratios. Thank you for your suggestions, we take your suggestions. We continuously evaluate the skills and competence requirements for our business and accordingly, we are taking and increasing our genders gap. And we'll take your suggestions of physical and hybrid meeting. As per the common rule we've now organized the meeting through virtual mode. We'll consider and take your suggestions.

Next to Mrs Mascarenhas. Bonus was given in the year 2003. With respect to your question on how much is R&D? We spent close to about 1% on R&D. Then the question you asked about bonus for the last year. The issues of bonus shares will require better results. As you will notice on the financial statement, the company uses internal tools for funding its various business projects. As part of its growth plan there are several projects in progress that are proposed to be taken. So the board will take a decision on that at an appropriate time. Next question was on any margin pressures and geopolitical issues. Most of our businesses are depending on the global economy situation. We have been taking corrective actions every now and then to look at what we commit and then with interest of shareholders in mind, we take appropriate actions to control the costs and improve our efficiency.

Coming to the questions raised by Mr. Shah on the steel sector and auto sectors. The percentage in auto is roughly about 30% and our business depends on auto and steel. Again, it's about 24-25% of our business that comes from these sectors. Then Q1 and Q4 results you asked about. So, Q4 last year, a lot of machines which were delayed due to raw materials supply chain constraints which we were able to execute in Q4. So it was a special Q4. It was a larger sale and in line with our regular market demand. Q1 performance as compared to last year, was better. And compared to Q4 your observation is right. Since it was a one quarter which we would have completed from the backlog of orders after receipt of materials. So, Q4 showed good performance.

Now coming to the questions raised by Mr. Ashok Chakravarthy. He was mentioning that at AGM of 2019, management assured of factory visit. But now there are a lot of government guidelines. COVID is increasing, we will definitely look at appropriate time and considering the safety of our shareholders and with the operations what we do. Then you had cited about global impact on the business. Definitely this impact we are monitoring and accordingly we are revisiting our strategies to address the growth plan and we are taking actions timely to address those challenges. And Ms. Anju Sharma, you quoted after a long time good financial performance may be a reason for increased market share. The market definitely we are addressing by import substitute and lost business regain, we are focusing on improving our market share. There is an export growth, new products, new markets. We have framed our strategies. The total domestic procurement estimated is 350 crores which is growing at a rate of 5 to 6%. Chairman sir, we have addressed all the questions.

Chairman: Okay. Thank you Mr. Srikanth and I trust all the queries have understood and are answered.

Ladies and Gentlemen, this concludes the business part of the meeting.

The Instapoll facility will be activated now to enable members who have not cast their votes earlier through remote e-voting. This facility is available on the left-hand corner of the Video Conferencing screen in the form of a 'Thumb' sign. Members can click on the same to take them to the 'Instapoll' page and vote.

Mr. R. Sridharan, Scrutiniser will submit a report to the Company after consolidating the remote e-voting and voting at the AGM.

As there is no other business to be transacted, I declare the meeting as closed. I thank all the shareholders for connecting with us today. I also thank the KFin team for facilitating the Video conferencing which enabled connecting with our shareholders across the world and the other service providers for ensuring seamless conduct of the meeting. Thank you.
