

WENDT (INDIA) LIMITED

TRANSCRIPT FOR THE 39TH ANNUAL GENERAL MEETING OF WENDT (INDIA) LIMITED HELD ON 23RD JULY 2021 THROUGH VIDEO CONFERENCING

CHAIRMAN:

I have great pleasure in welcoming you to the 39th 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 prevailing COVID-19 pandemic situation 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 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 39th 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 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.

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. M Lakshminarayan joining us from Bengaluru; Mrs. Hima Srinivas, from Hyderabad; Mr. Bhagya Chandra Rao, from Bengaluru; Mr. Rajesh Khanna from Bengaluru and Mr. N Ananthaseshan, from Hosur.

We also have our Senior Management joining us; Mr. C Srikanth, Chief Executive Officer, from Hosur, Mr. S Sundariya, Unit Head, from Hosur, Mr. Mukesh Kumar

Hamirwasia, Chief Financial Officer from Hosur and Ms. Janani T A, Company Secretary from Chennai.

Our Statutory Auditors M/s. Price Waterhouse Chartered Accountants LLP, are represented by Mr. Mohan Danivas S A and Mr. Manish Agrawala joining us from Bengaluru.

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.

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 Private 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 16th July 2021 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 20th July 2021 till 22nd July 2021. 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 the Company. 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 Scrutinizer's report will be communicated to the Stock Exchanges within 48 hours and the same will be placed on the website of the Company and on e-voting platform of KFin.

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

After I conclude my speech, Mr. Srikanth, CEO will present the operational highlights during 2020-21. 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 will proceed with the meeting.

Ladies and Gentlemen,

Once again, a very warm welcome to each and every one of you.

The Annual Report for the financial year 2020-21 has been sent to you some time back and I trust it would have given you an overview of the performance of the Company.

Today, we are in the midst of a humanitarian crisis. Its scale, severity and geographical spread is unprecedented. I urge you to be safe, positive and optimistic to overcome these challenging times.

Economic Scenario - the year gone by

The year 2020 began with the spread of the COVID-19 impacting economies resulting in a global recession, steepest over the last eight decades. With stricter lockdowns imposed in various countries, the pandemic led to demand shortfalls, supply chain bottlenecks, disturbances in global trade travel, tourism and massive outflow of capital.

In India, which witnessed one of the strictest lockdowns in the world, the contraction in its GDP was recorded to be one of the steepest among major economies. The economy was adversely impacted by the unprecedented health crisis despite the Government taking several proactive, preventive and mitigating measures.

While the initial half year of FY 20-21 saw steep contractions in growth at 23.9 per cent, the Indian sub-continent witnessed a 7.5 per cent decline in Q2 backed by slew of economic packages announced by the Government of India from time to time. The initial policy choice of 'lives over livelihood' succeeded by 'lives as well as livelihood' with the festive season round the corner started showing positive results from Q3. Recovery since then was supported by vaccine inoculation drives in the country, sustained accommodative monetary policies and further sizeable fiscal stimulus.

While the market rebound was quicker than expected, the second wave of infections was severe than the last year leading to re-imposition of virus management measures. While businesses seemed to have managed the second wave, thanks to the experiences gained last year, the threat of a third wave and the uncertainty over

the emergence of new and more virulent strains of COVID-19 looms large on the economy.

I extend my gratitude to the frontline workers who have been toiling hard in helping us stay safe.

Business Results

Despite the challenging business conditions, your Company clocked a top line of Rs. 11900 lakhs during FY 2020-21, compared to Rs. 12,037 lakhs, lower by 1 per cent over the previous year.

Your Company's domestic sales was at Rs. 8,622 lakhs during the year, higher by 7% over the previous year. The increase in sales was on account of rebound in target industries like Automobile ancillaries, Refractories, Glass etc.

Exports were at Rs. 3,278 lakhs during the year, lower by 18% over the previous year impacted by continued volatility and global slowdown.

The year began on a challenging note with subdued Q1 performance due to COVID 19 imposed lockdown, demand recession and supply chain bottlenecks. However, with the lifting of lockdown and picking up of demand your company performed better in Q2 with a strong performance in Q3 & Q4. This ensured that the company ended the year on a positive note. Despite the flat top line, your Company recorded higher PBT of Rs. 1,653 lakhs growth of 39% over the previous year and PAT of Rs. 1,291 lakhs growth of 38% over the previous year.

COVID-19

Considering preventive measures to curtail the spread of COVID-19 and in line with the directions issued by the Ministry of Home Affairs, the manufacturing operations of your Company's plant at Hosur, Tamil Nadu was temporarily suspended from 23rd March 2020 following due protocols. Since the Company's facility was located in a green zone, operations resumed on 30th April 2020 with permitted workforce after ensuring receipt of requisite permissions from the local authority and in adherence to the standard operating procedures laid down by the Ministry of Home Affairs from time to time. This adherence was ensured not only from a regulatory compliance perspective but by keeping in mind the well-being of our employees, customers and other stakeholders.

Capex

Your Company follows the policy of being prudent in its capex spend. During the year, your company spent Rs. 864 lakhs. The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and new products capacity enhancement, which are critical for the future growth of the Company. As in the past, the Company funded its entire capex through internal accruals.

R&D

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 and Honing Solutions" to its Customers. Your 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.

In the fast-growing technologies, moving targets pose big challenges for sustainability. In this context, the R&D team has taken efforts to develop new variants, new products with superior performance, while also addressing process improvements.

During the year, your Company has filed 6 Intellectual properties (IPs) for its products / processes.

Business Focus

During the year, your Company continued its dedicated efforts in pursuing business in all three verticals namely Super Abrasives, Machines and Components.

Super Abrasives

The Super Abrasive Business was majorly impacted by the volatile situation & lower orders from some of the key overseas markets like the United States, Germany, United Kingdom, China etc. However, amidst many challenges, business has achieved a growth of over 5 per cent in the domestic market.

Machines

The Machines Business vertical witnessed a growth of 17 per cent over the previous year, on the back of good orders from the domestic and overseas market. The Company has developed and established models/variants for the Steel Industry viz., High Precision Tungsten Carbide Ring Grinding Machine: Delta 450/350/250, PDM 400. During the year, the Company successfully conducted online commissioning of some of its machines viz., Delta 150, WDM 8V etc. at customer's place in view of the travel restrictions.

Precision Components

The Precision Components Business witnessed a decline in growth by 5% during the year on account of lower volume off take by the customers in the Automobile sector. The Company focused on exploring new business opportunities in aerospace, compressor & hydraulic parts, special inserts, Carbide industry, deploying its core competencies - Expertise, Experience 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 utilization of various resources. During the year, the Company has commenced a pilot project called QRM (Quick Response Manufacturing) initiative with support from an external partner. This project covers reorganising the machine layout in the shop floor thereby reducing lead-time/waiting time and improving the utilisation of inventory and other resources in the shop floor. This initiative is beneficial in addressing some of the key areas like planning and scheduling, production reliability, materials availability and product delivery.

Cost Optimisation Projects

During the year, the Company has formulated several Cost Optimisation Projects wherein the Cross Functional Teams are involved across various projects and the cost savings in all the business segments is continuously reviewed and derived. The rigorous variable and fixed cost reduction initiatives undertaken during the year has resulted in improving the bottom line of the Company.

New Product Development

During the year, in the Super Abrasives business, the Company has developed a range of high precision dressing rollers addressing the auto component and aerospace industries. In the Machines business, the Company has developed IOT ready machines for the fast growing steel sector. In Precision Components, the Company has developed capabilities to meet high tolerance and geometric complexities of parts from aerospace, precision engineering and auto component customers.

Major Recognitions and Awards

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

- CII -SR EHS Excellence Award with '4 Star Rating' for excellence in safety and health practices.
- Won various gold and silver awards at the virtual CCQC Competition and bagged the National level Excellence Award at the virtual NCQC 2020 Competition.
- Won several awards in the 'Virtual CUFEST 2021' Group level Quality Competition.

Subsidiaries Performance

Wendt Grinding Technologies Limited (WGTL)

The Company's wholly owned subsidiary, Wendt Grinding Technologies Limited, Thailand, achieved sales of Rs. 1,830 lakhs which is 22% lower than the last year. The decline in the top line is due to continuing industry slowdown on account of COVID-19, declining exports, political uncertainties, rising costs and all odds. The

subsidiary continues to demonstrate its strong resolve and business acumen challenging the unfavourable conditions and is expected to churn out good results in the future.

The PAT was at Rs. 242 lakhs, 40% lower over previous year.

During the year, the subsidiary successfully revalidated "ISO9001-2015" audit from "TUV NORD".

Wendt Middle East (WME)

Wendt Middle East, FZE, Sharjah recorded a sale of Rs. 270 lakhs and a profit of Rs. 11 lakhs. Considering the challenging business conditions and the future viability of profitable operations, the Board of Directors have approved a proposal for voluntary de-registration of this subsidiary which is in progress.

Corporate Social Responsibility

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

The Company continues to contribute to the Centre for Skill Development Program (CCSD) provide quality vocational and technical training to less privileged youth from weaker sections of the society by uplifting their lives and equipping them with employable skill sets. During the year, a grant was made to Hosur Industrial Association towards building a Skill Development Centre, thus enabling the Company support the infrastructure for skill development in the area in which it operates. Further, contribution was given to Seva Bharati, an NGO based out of Hosur towards distribution of food grains to the needy in Hosur.

The Company during the last year had supported to the cause of COVID-19 affected needy by giving food supplies, by providing medical kits to the front-line workers etc.

The Company, during the year 2020-21 has spent Rs. 32.02 lakhs towards CSR activities and no amounts remain unspent at the end of the year.

Dividend

Considering the past dividend pay-out ratio and the current year's operating profit, the Board has recommended a final dividend of Rs 20/- per share of Rs. 10/- each) for the year ended 31st March 2021. It may be recalled that, an interim dividend at the rate of Rs. 10/- per equity share of Rs. 10/- each was declared in January 2021 and paid in February 2021. This aggregates to a total dividend of Rs. 30/- per equity share of Rs. 10/- each for the year, which is higher than the previous year (Previous Year aggregate: Rs 25 /- 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 2021. The first quarter performance put forth by your Company is:

- Total Sales has been at Rs 3683 lakhs
- Domestic Sales at Rs 2713 lakhs
- Export Sales at Rs 970 lakhs
- EBIDTA at Rs 841 lakhs
- PAT of Rs 534 lakhs

The higher top line growth owing to good demand and order visibility and continuation of cost optimization measures and operational efficiency 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.675 lakhs.
- PAT is Rs 110 lakhs.

WME

The Board of Directors had approved proposal for voluntary de-registration of the subsidiary, Wendt Middle East, FZE in Jan' 21 which is in progress. The subsidiary has incurred a loss of Rs. 7 lakhs.

Way Forward

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 retired as the Executive Director and CEO with effect from 31st October 2020 after serving the Company for more than three decades. The Board greatly appreciates his contribution during his tenure as the CEO of the company. Mr. Rajesh Khanna continues to be associated with us as a Non-Executive Director on the Board.

I am pleased to welcome to the Board, Mr. Bhagya Chandra Rao, a veteran in the engineering business fraternity having more than four decades of experience.

Mr. C Srikanth took over as the CEO – Designate from 1st November 2020 and as the CEO from 1st April 2021. Mr. S Sundariya, earlier Business Head, Non-Super Abrasives was elevated as the Unit Head of the Company from 1st November 2020. I wish Srikanth and Sundariya all success in their new roles and thank them for their leadership during a tough year.

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 all and wishing you safer times.

Now I request Mr. Srikanth C, CEO to give us a brief on the operational highlights during 2020-21.

Srikanth C:

Good evening Chairman Sir, the Board of Directors, senior colleagues and valued shareholders. I welcome you to the 39th AGM and it is a great pleasure for me to present the operational highlights of the Company.

Success Sustained is the core theme of the Company during the current challenging times whereby your company aims to refresh its talent pool in support of the organization business model and the unique needs of its client. Your Company believes in the principle that People, Process & Technology ensures sustainable businesses Growth. Your Company also believes and has adopted effective integration of planning process on end to end basis. Further, Your Company believes that strength of People, Process and Technology and ensure customer satisfaction.

This presentation may contain forward-looking information relating to future business developments & prospects, company's financial results and economic performance that involve substantial risks and uncertainties. While such forward-looking statements represent the company's judgements 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.

As you all know, we are located in Hosur, Tamil Nadu. We have an employee strength of 466.

Our mission is to be a customer intensive, innovative company strong TQM approach and becoming a world class company in the field of super abrasives, machinery and precision components.

Our fundamental strengths include:

- Well nurtured talent
- Comprehensive Product Range
- High Level Customization
- State-of-the-art Manufacturing Process
- Sound Financial Position

As you all know, the revenue of Wendt India is in two verticals. One is Super Abrasives, the revenue of which aggregates to Rs. 8056 lakhs i.e. 68% of our business and the other is Machines and Components, the revenue of which aggregates to Rs. 3844 lakhs i.e. 32% of our business.

Our Mother plant is in Hosur, Tamilnadu. We have two subsidiaries, WGTL, Thailand and WME, Sharjah.

On a consolidated basis, the sales for the year 2020-21 stood at Rs. 13506 lakhs. The initial investments was Rs. 50 lakhs and market capitalization which is standalone today is Rs. 63235 lakhs. We have a global reach in 35 countries with product variants over 40,000 plus.

As you will see, we reach Germany, UK, France, Spain and Russia through our 3M distributorship. USA, China, UK, Russia, Australia, Korea, Austria, Taiwan, Brazil, Turkey and Sri Lanka through our CUMI channel. Wendt brand goes into Singapore, Indonesia, Thailand, Malaysia, South Africa and UAE.

We have our major customers from automotive industry, steel, defense, ceramic and abrasives industries.

The Company has ISO certification 9001:2015; 14001:2015 and EN13236:2015 for safety standards. Apart from the above the Company also has certifications namely ISO 45001:2018; SA 8000:2014 and IATF 1649: 2016.

We have seen a steady growth over the years and the CAGR growth since the inception of the Company is 19.41%. And this year the growth is at Rs.11, 900 lakhs.

As Chairman had mentioned earlier, the drop in the current year is not comparable with other years.

The three verticals that the Company is working on are tools, machinery and components.

In super abrasives we produce Resin Bonds, Metal Bonds, Hones, Galvanic Bonds, Brazed Bond, Rotary dresser, Vitrified Bond and Stationer dresser & STAR completing the entire super abrasives basket.

The CAGR of the super abrasives sales for the past 10 years is at 3.02%.

In machines and components business, we have various types of machines and which goes for the automotive sector, cutting tools areas, ceramics business, the steel industry. We also make components for fuel injection, transfer plates ceramic parts.

The CAGR of the machines and components for the past 10 years is at 5.79%

Wendt's business is distributed to Automotive sector, Engineering, Cutting tools, Steel, Defense and Aerospace, Refractories, Ceramics and Glass each occupying significant business distribution.

This is how we define how we are not dependent on auto and supply to other areas.

We have also diversified our business by supplying to medical industry, aerospace, defense and glass industry etc. which are now in the growth trajectory.

Also, during the year we have conducted technical seminars/trainings and webinars with members of the industry and customers through online mode which were felt effective.

We have also been awarded a '4 star rating' for commitment towards EHS Practices by Confederation of Indian Industries (CII).

We resumed the operations of the Company post the lockdown imposed consequent to the second wave with requisite permissions with lesser staff after giving them safety measures training.

We have also organized online sessions on awareness for COVID-19 at a group level with doctors.

We have also contributed to support the community during the times of COVID.

- We have Facilitated employees to contribute through Employee Contribution Fund for COVID 19. Over 63 Employees contributed this mode worth Rs. 1,07,300/-.
- We have donated 100 PPE kit for COVID-19 worth Rs.70000.00/- to Krishnagiri Collectorate & Hosur ESIC Hospital.
- We have distributed relief material worth Rs.7700/- to M/s. Abala Ashram with the financial aid. Relief Material contains essential groceries.
- We have distributed relief material worth Rs. 10000/- to M/s. Nivethitha Home with the financial aid. Relief Material contains essential groceries.
- We donated Rupees 1 lakh to Seva Bharathi Hosur to support economically weaker section in the society.
- We donated Re-Usable PPE kits & Foot operated Hand Sanitizer with Stand to Fire and Rescue Department to prevent themselves in the COVID-19 Battle while disinfecting the society.

Moving to the Financial highlights. The total sales for the year 2020-21 stood at Rs. 11,900 lakhs as compared to Rs. 12,037 for the previous year. The profit before tax and Profit after tax for the year 2020-21 stood at Rs. 1653 lakhs and Rs. 1291 lakhs respectively as compared to Rs. 1189 lakhs and Rs. 934 lakhs for the previous year.

This is not been a very great situation, but you know, you can't help it, the reason being the auto industry slowdown during the whole of previous year and the COVID pandemic.

Despite all these things happening, we have maintained a 300% dividend payout for the current year.

The earnings per share has increased to Rs. 64.56 per share as compared to Rs. 46.7 disclosed for last year on a comparison on 10 year basis (2011-2021).

While there had been an array of headwinds, the tailwinds of it, the localization initiatives give as a great opportunity as manufacturers.

The focus of the next year would be as highlighted earlier, we are trying to de-risk into defense & aerospace industry, medical industry and farm equipment. The focus on super abrasive segment would involve Customer Engagement through Application Engineering strategy; Focusing on 5 countries for growing Exports-Business, by developing customer and Key Accounts; Expanding Dressing Roll & Precision EP Wheels Business in Growing Industry segments – Bearing & Guide Ways, Aerospace, Cutting Tool, Engineering, Farm Equipment's.

We will be refocusing on these areas to embrace the headwinds awaiting in the next year like Steel industry for WRM and BRM globally; focus more into markets like North Africa, South Korea, Middle East, China, Spain, Brazil. Ramp up the capacity of the aerospace components.

Also, the other thing that we are focusing on is, we used to be a direct marketing company. But currently, with travel restrictions prevailing, what we are doing is, identifying how we can digitally reach our customers and taking on platforms which can take us digitally.

One thing today is Ease of doing business what customers are looking at and we are focusing strongly on that.

Thank you very much for the patient hearing.

Chairman:

Thank you Srikanth. Now we will go to the AGM resolutions.

Ladies and Gentlemen,

The Notice dated 23rd April 2021 convening this meeting along with the copy of the annual report for the financial year ended 31st March 2021 has already been circulated electronically 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 too. Accordingly, the reports are not required to be read out at the meeting.

The Ordinary businesses set out in the AGM notice pertain to Adoption of Standalone Financial Statements for the year ended 31st March 2021 together with the Reports of the Board of Directors and Auditors thereon. Second, Adoption of Consolidated Financial Statements for the year ended 31st March 2021 together with the Report of the Auditors thereon. Declaration of final dividend of Rs. 20/- per equity share. Fourth and confirmation of the interim dividend of Rs. 10/- per equity share paid during the year, Re-appointment of Mr. Rajesh Khanna as a Director retiring by rotation.

The Special businesses set out in the AGM notice pertains to Appointment of Mr. Bhagya Chandra Rao as an Independent Director.

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 Speakers 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 2020-21 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.

Moderator: Thank you Sir. Now I request Mr. Santosh Kumar Saraf to kindly unmute your audio switch on your video and raise your question sir.

Mr. Santosh Kumar:

Namaskar the respected Chairman Sir and all the available members and my shareholder brothers and sisters who we have met through video conference. I am Santosh Kumar Saraf speaking from Calcutta. I greet you all. I hope you and all our managerial staff, as well as our employees and the stakeholder are safe and healthy during this COVID period. I would also like to thank Mr. Srikanth. They have done a great job and have called twice so that I can connect as a speaker. I thank them. Sir, you have given a dividend of Rs. 30 in which you have given an interim dividend of Rs.10. I thank the management. Even in the time of this COVID, a decision has been made in the matter of dividend. Thank you very much for this sir. Sir I would like to ask two things. The situation of COVID - the third wave is also coming. What steps will you take in this regard? In which ways cost cutting can be done? Due to this, there should be minimum effect in the operation. Does this have minimum impact in income? Sir what is your capex plan in the coming period? Please tell me about it sir. And sir please tell me one thing sir. What is the cost of your R&D sir? Please try to convert to renewable power to do cost cutting. Secondly, I will request you to install solar panels inside your factory and also above your office. Sir, I would like to ask you how many of your employees are vaccinated. If anyone has taken the vaccine in a private hospital, then what is the cost given by the Company? Has the Company supported this? Sir I will not take much time, if you keep physical meeting in Bangalore, I will definitely come sir. I convey that this video conference meeting is very good sir. People can connect from many places. Some people come from Chennai. This cost cutting is also good sir. Without taking too much time, I wish you and the company all the best. For you and your family and all our employees and all our stakeholders, may the year 2021 be full of health and wealth. With this wish, I bid you farewell. Go Hind Jai Bharat. Thank you very much for giving time.

(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: Thank you Mr. Saraf. Now I request you our next speaker Miss Celestine Elizabeth Mascarenhas to kindly unmute your audio switch on your webcam and speak.

Miss Celestine Elizabeth Mascarenhas: Hello Hello can you hear me?

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

Miss Celestine Elizabeth Mascarenhas: Okay. Respected Chairman Srinivas Shirgurkar, other Honourable directors on the dais in the virtual meet, my fellow shareholders who are attending this meeting virtually. My name is Mrs. C Mascarenhas. I am attending from Mumbai. First of all, I thank the Company Secretary for giving, for sending me the electronic notice and annual report. I would

have been happy if I would get a physical copy. Because being old, when I read online, my eyes are always watering. So I don't know if you could next time please send me a physical copy. I also thank the KFintech for allowing for giving me this platform in these days of COVID to speak. Now coming to the annual report, it is a very well documented with lots of information bars, charts and also self-explanatory adhering to all the norms of corporate governance. Now, working sales have gone up, PAT has gone up and also the EPS have gone up from 46.70 to 64.54 thereby giving us total dividend of rupees 30 per share, rupees 10 as interim and 20 as now. Sir we have very good results sir, we have over against a capital of 200 lacs, we have reserves of 12,003.58 lacs. I mean I don't know how to ask if a bonus was given would be good. I would like to know when the last bonus was given and even then the promoters are holding 75%, you could give the bonus to other than promoters also. So at least in this very difficult days it will be really good as everything is gone down, income of the small people due to COVID. So if shares are otherwise split, so from one share if it becomes two shares, then also we have more shares and if we want to sell also we can sell that way. So now I come to my queries. We are in three verticals Super abrasives, machine tools, precision components. So I would like to know in which of these three we have a very good cutting edge. Which verticals at the same time we enjoy a very good margin? So who are our competitors? Number two, are we eligible to take the benefit of PLI of government of India scheme. The R&D spend is around 1.35% of the manufacturing, I feel we should increase that. So share your thoughts on that. Sir how many of our staff was affected by COVID and all are vaccinated by now? A little thought on that, rest I don't want to go long because I want to attend the Biocon meeting. I am just waiting anxiously, I have already registered there. So, you can send answers to my queries by email. I won't be able to remain till the end because my number may come there. With this I support all the resolutions. I wish our company all the best. I wish you all very good health. Good luck and may our company grow strength to strength and may we succeed in all our endeavors and good health and wealth to all of you all and our specially good health to our staff who are working so hard for this. Thank you for giving me this opportunity to speak once again. Thanks a lot.

Moderator: Thank you, ma'am. Now I request our next speaker, Mr. Anuj N Sharma to kindly unmute your audio switch on your webcam and speak.

No response received from the speaker.

Moderator: I request Mr. Anuj N Sharma to kindly unmute your audio switch on your webcam and speak. We are not receiving any response from Mr. Anuj N Sharma, so I'll call our next speaker.

Moderator: I Request Ms. Shyama Sundari Narang to kindly unmute your audio switch on your webcam and speak.

Moderator: I request Ms. Shyama Sundari Narang to kindly unmute your audio switch on your webcam and speak. We are not receiving any response from Ms. Shyama Sundari Narang, so I'll call our next speaker.

Moderator: I Request Mr. Aspi Bamanshaw Bhesania to kindly unmute your audio switch on your webcam and speak.

Moderator: I request Mr. Aspi Bamanshaw Bhesania to kindly unmute your audio switch on your webcam and speak. We are not receiving any response from Mr. Aspi Bamanshaw Bhesania, so I'll call our next speaker.

Moderator: I Request Mr. Narendra S Trivedi to kindly unmute your audio switch on your webcam and speak.

Mr. Narendra S Trivedi: Respected Chairman. I will point that Sir that if you send the annual in PDF format in 2 page layout, it is impossible for us to see on the laptop. The next time when you send this, please send this as single page PDF format. Thank you, sir.

Moderator: Thank you sir. With this, we complete our speaker session, I hand over the session back to the Chairman.

Mr. Anuj N Sharma: Ma'am, this is Anuj N Sharma here. I haven't got the chance yet.

Moderator: Yes, Mr. Anuj N Sharma. You can proceed with your question. Thank you.

Mr. Anuj N Sharma: Yeah, thank you. Sorry, they were signal disconnections. So I could not and I missed my chance. Sir, I have sent in my list of questions. And I'm also repeating them, in the super abrasive segments you have given the breakup so I leave that question. Am I audible?

Moderator: You're audible. Please proceed with your question.

(Unclear audio)

Moderator: Your voice is cracking in between.

Mr. Anuj N Sharma: Have you received the list of the questions Chairman sir?

Moderator: Chairman Sir, have you received his list of questions?

CHAIRMAN:

We have received the questions and we have answered the queries and questions raised by the speakers in my presentation and Srikanth's presentation.

Thank you very much members for your queries and interest in the operations of the Company.

We have also received few queries through KFin's portal. One query is from Mr. Satish Mahajan requesting issuance of bonus shares and stock split. In this regard, I wish to inform you that the issuance of bonus shares will require capitalization of the reserves. As you will notice from the financial statements, the Company uses internal accruals for funding its various business projects. As a part of its growth plan there are several projects in progress or proposed to be taken up.

The Board will take a decision at an appropriate time on the bonus issue and stock split.

We have also received a set of queries from Mr. Anuj Sharma, most of which Mr. Srikanth has already covered in his presentation. Mr. Sharma, we will write to you separately on the questions which have not been addressed.

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.