

**Chairman's Speech**  
**Annual General Meeting on 7<sup>th</sup> August 2025**

It is my privilege to welcome you all to the Annual General Meeting of Kirloskar Oil Engines Limited.

Let me start by giving you a sense of the overall business environment that played out last year. After all, no one is insulated from the dynamics of the market, which is the result of many factors, the overall geopolitics, domestic demand and supply dynamics, inflationary trends, regulatory environment to name just a few. Despite all the uncertainty that is looming around, the Indian economy stands out as a lone bright star, our domestic demand remains strong, there is a lot of impetus on infrastructure development, demographic dividend is clearly playing in our favour and the saving and consumption patterns are changing in the country. It is because of these reasons, we are more or less insulated from the larger global uncertainties.

Backed by such tailwinds, the financial year 2024 – 25 has been a good one for KOEL, the company was able to make full use of the demand in the market and was able to execute its strategy well. We were able to deliver consistent performance through the entire year, and many milestones were crossed.

For our B2B business, which focuses on our engines for industrial and power generation portfolio, it was a year of big changes. There were 2 major emission transitions that happened in our industry, the CPCB 4+ emission transition on the Genset side and the BS V transition on the off highway side. Both of these were big changes, where our entire range of products had to be updated to meet the emission standards.

I am very pleased to announce KOEL made these transitions successfully, we were the first engine manufacturer in the country to get our entire range CPCB4+ certified, we also made the BS V transitions well. These transitions and the way we managed them is a testimony to the strength of our teams, especially our R&D teams.

As many of you know, KOEL develops all its products in-house, and we have strong R&D capabilities. This has been a focus area for the company and will continue to be so. We believe that staying self reliant on technology, making the right investments in R&D is strategically important for us, and has been one of the key reasons that the company remained successful over the years.

This focus of ours has helped in developing products that are custom made for our domestic customers and because of this we have been successful in bagging some key orders that we are very proud of. In defence, our selection by the Indian Navy for developing a 6 MW

medium-speed marine diesel engine under the Make-I category is a case in point. This project places KOEL in the middle of India's self-reliance journey in defence technology.

On the B2C side, a significant milestone was achieved in FY25, where we consolidated 5 plants in Ahmedabad, to one state of the art manufacturing plant at Sanand. Consolidations of this scale are always complex, it impacts many parts of the organization, for example in supply chain, employees and so on. I am pleased to announce that we have completed this project, and we have moved our operations to the new plant at Sanand.

We delivered strong results for the year that went by. On a standalone basis, we recorded our highest-ever revenue from operations at ₹5,113 crore, reflecting a growth of 5% despite industry headwinds. Profit Before Tax stood at ₹580 crore registering a 20% growth over the previous year and Net Profit at ₹432 crore at 20% year on year growth is a testament to our focus on cost efficiency, value-driven engineering, and customer trust.

On a consolidated basis, the story is equally strong. We closed the year with revenue of ₹6,349 crore, PBT of ₹652 crore, and Net Profit of ₹476 crore. This growth is driven not just by our core engine

business, but also by the positive contribution of our subsidiaries and strategic initiatives.

We are committed to enhancing shareholders' value and maintain regular distribution of dividends out of our earnings. In view of KOEL's strong performance in FY 2025, the Board has proposed a final dividend of Rs 4.00 per share, subject to the approval of the shareholders. This means a total dividend of 325% for the year — comprising an interim dividend of ₹2.50 per share and a proposed final dividend of ₹4.00 per share, for a total of ₹6.50 on ₹2 share.

While businesses must remain profitable, and must create wealth for its shareholders, it is equally important that wealth is created in a responsible manner. In fact, responsible creation of wealth is what makes organizations last over time. Long before terms like ESG came into the picture, this has been a focus area for us, and it will continue to be so. We are committed to the highest standards in governance, we will remain committed to our social responsibilities as a company, and we believe that we are at the heart of the sustainability journey.

Sustainability for KOEL is not a 'good to do' agenda. Our products and the business that we are in, are at the core of the Environment and the sustainability agenda. Post the CPCB4+ and the BS 5 transition, our latest range of products beats one of the strictest

emission norms globally. It is exciting to be part of this energy transition journey, the need for energy will not go away, and KOEL is committed to providing to meet the energy needs of its customers in the cleanest, technically superior way possible, at the price and quality standards that our customers want it at.

Our Kagal plant received three national accolades for energy and water conservation, including recognition as a “Net Zero Torch Bearer,” a “National Leader,” and an “Excellent Energy Efficient Unit.” We are pleased to report that KOEL now sources 51% of its total electricity from renewable sources.

On the subsidiaries side, La Gajjar Machineries Private Limited at the consolidated level reported total income of INR 515 crores and with net profit of INR 4 crores.

Arka, our venture into the financial services sector has been growing well as per the plans. We will continue our focus in this business, in line with our philosophy of building businesses that sustains over generations.

Kirloskar Americas Corporation recorded revenue of USD 3.5 million and net profit of USD 289,704.

Wildcat Power Gen recorded revenue of USD 0.29 million and net loss of ~ USD 1 million.

As I look at the future, our strategy is anchored in the “2B2B Vision” — to become a \$2 billion company by FY2030, by moving over a broader portfolio within and beyond India. Our focus is on four future-oriented technology tracks: internal combustion engines, energy storage solutions, electrification, and fuel cells and electrolyzers. This approach positions us not just as participants in the energy transition — but as leaders. This is not to say that the future will not have challenges, there surely will be, but I am very confident on the strength of the KOEL ecosystem, our employees, our supplier partners, our channel partners, and all of you our shareholders, we will together build our shared future.

Thank you, ladies and gentlemen!