



**“V-GUARD INDUSTRIES LIMITED 27<sup>TH</sup> ANNUAL GENERAL MEETING”  
AUGUST 24, 2023**



**MANAGEMENT OF V-GUARD INDUSTRIES LIMITED:**

Sl. No.	Name	Designation
1.	MR. CHERIAN NADUVATHRA PUNNOOSE	CHAIRMAN, INDEPENDENT DIRECTOR
2.	MR. MITHUN K CHITILAPPILLY	MANAGING DIRECTOR
3.	MR. RAMACHANDRAN VENKATARAMAN	DIRECTOR AND CHIEF OPERATING OFFICER
4.	MR. CHENAYAPPILLIL JOHN GEORGE	INDEPENDENT DIRECTOR
5.	MR. GEORGE MUTHOOT JACOB	INDEPENDENT DIRECTOR
6.	PROF. BIJU VARKEY	INDEPENDENT DIRECTOR
7.	MR. ISHWAR SUBRAMANIAN	INDEPENDENT DIRECTOR
8.	MR. ANTONY SEBASTIAN K	EXECUTIVE DIRECTOR
9.	MR. SUDARSHAN KASTURI	CHIEF FINANCIAL OFFICER
10.	MR. VIKAS KUMAR TAK	COMPANY SECRETARY

**Moderator:**

Dear shareholders, Good Morning and a very warm welcome to the 27<sup>th</sup> Annual General Meeting (“AGM”) of V-Guard Industries Limited held through video conferencing or the audio-visual means. Please be informed that for the smooth conduct of the AGM, the members will be in mute mode and audio and video will be unmuted when they speak at the AGM as per the preregistration. As per the statutory requirements, the proceedings of the AGM will be recorded and the transcript of the same will be made available on the website of the company. I now hand over the proceedings of the company to the Company Secretary to Mr. Vikas Kumar Tak.

**Vikas Kumar Tak:**

Thank You Swati. Good Morning Respected Chairman, Directors and Shareholders. Welcome to the 27<sup>th</sup> AGM of V-Guard Industries Limited. So, before we start the formal address by the Chairman, I would like to confirm that it has been decided to conduct the 27<sup>th</sup> AGM of the Company through video conferencing with the support of CDSL in

accordance with Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facilities for joining this meeting through video conferencing is made available to the shareholders.

All the shareholders will be in mute mode and whenever their turn comes up they will be unmuted and shareholders are requested to use internet with high speed and laptop for better experience. I also confirm that requisite quorum is present to convene this AGM as per requirements of Companies Act, 2013 and SEBI Regulations.

Please note that all the statutory registers of the Company along with other documents related to Ordinary and Special Businesses are made available electronically for inspection by the shareholders.

Within the time given Eight (8) speakers have registered with the Company. Further, questions which we will receive through the chat box facility, will also be answered by the management.

As per the provisions of Section 108 of the Companies Act, 2013 and regulation 44 of SEBI (LODR) Regulations, the Company has provided e-voting facility to the Members, entitled to cast their vote on all resolutions through remote e-voting. As per the timelines provided in the AGM notice, the remote e-voting facility started on Monday August 21, 2023, at 9.00 AM and it got concluded on August 23, 2023 by 5.00 PM.

Further in compliance with the rules of e-voting framed under Companies Act, 2013 and the circulars of MCA, the e-voting facility will be provided at the AGM also. The Shareholders who have not cast their vote through remote e-voting process and otherwise are not barred to do so, can cast their vote at the AGM. e-voting tab on the screen will be activated to enable shareholders to cast their vote. They can vote by clicking on the vote tab. Shareholders may please note that there will be no voting by show of hands.

Please note that the Annual Report for the Financial Year 2022-23 and Notice of the 27th AGM has been sent through electronic mode to the members of the Company. Hard copy of Annual Report and AGM notice were sent to those members who had requested for the same.

Please note that the secretarial auditors of the Company have issued a certificate on compliance on employee stock option scheme 2013 which is adopted by the Company. As the requisite quorum is present, I request the Chairman to call the meeting in order and proceed with his remarks. Thanks Sir. Over to You Sir.

**Cherian N Punnoose:**

Thank You Vikas. Good Morning dear shareholders, Directors and all officials attending the AGM. We have the required number of members present and attending the AGM through video conferencing or other audio-visual means. We have the required quorum present for the AGM I call the meeting to order.

I am Cherian N. Punnoose, Chairman of the Board and I am attending the AGM from the Registered office of the company in Kochi. I seek your permission to report the changes on the Board since our last AGM.

Mr. Ishwar Subramanian has been inducted on the Board as Independent Director effective 30<sup>th</sup> May 2023 and Mr. Antony Sebastian K was inducted as Executive Director on the same day.

As per the Companies Act 2013, Independent Directors can be members of the Board for a maximum period of 10 years. Accordingly, I along with my colleagues on the Board, Mr.

C. J. George and Mr. Ullas Kamath are retiring prior to the next AGM. Hence this is our last AGM as Directors in V-Guard. We take this opportunity to thank the Management and the Shareholders for the opportunity given to us to serve the Board. We specifically thank the Chairman Emeritus Mr. Kochouseph Chittilappilly and Mr. Mithun K Chittilappilly, Managing Director

As part of the dynamic succession plan of the Board we have already inducted professionals as independent directors on the Board to continue the ongoing excellent growth record of the Company. This is a brief of the changes that has taken place in 2023. Now we will move to the formal part of the AGM.

I am delighted to welcome all the shareholders to this 27<sup>th</sup> AGM. I extend a warm welcome to the Board of Directors of the Company to this meeting. I request all Directors present to please introduce themselves starting with Mr. Mithun K Chittilappilly.

**Mr. Mithun K Chittilappilly, Managing Director:**

Thank You Chairman. Dear shareholders. This is Mithun K Chittilappilly- Managing Director of the Company joining this meeting from the Registered office at Kochi, Thank you.

**Mr. Cherian N Punnoose, Chairman :**

Thank You, Mr. Ramachandran

**Mr. Ramachandran V, Director & COO:**

Dear Shareholders I am Ramachandran V – Whole Time Director and Chief Operating Officer of the Company. I am joining this meeting from our head office at Kochi.

**Mr. Cherian N Punnoose, Chairman:**

Mr. C J George

**Mr. C J George, Independent Director:**

This is C J George - Director of the Company. I am joining this AGM from my office in Kochi. Thank You.

**Mr. Cherian N Punnoose, Chairman:**

Thank You, Mr. George Muthoot Jacob

**Mr. George Muthoot Jacob, Independent Director:**

Good Morning dear shareholders. This is George Muthoot Jacob-Independent Director of the Company. I am joining the meeting from my office in Kochi. Thank You.

**Mr. Cherian N Punnoose, Chairman:**

Prof. Biju Varkkey

**Prof. Biju Varkkey, Independent Director:**

Good Morning to all. This is Prof. Biju Varkkey -Independent Director of the Company. I am joining this meeting from the registered office of the company in Kochi.

**Mr. Cherian N Punnoose, Chairman:**

Mr. Ishwar Subramanian

**Mr. Ishwar Subramanian, Independent Director :**

Good Morning Shareholders. This is Ishwar Subramanian, Independent Director of the Company. I am joining this meeting from my office in Bangalore. Thank You.

**Mr. Cherian N Punnoose, Chairman :**

Mr. Antony

**Mr. Antony Sebastian K, Whole Time Director :**

Hello Shareholders, This is Antony Sebastian K, Whole Time Director of the Company. I am attending this meeting from the registered office of the company at Kochi.

**Mr. Cherian N Punnoose, Chairman:**

Ok, Thank you all. Mr. Ullas Kamath and Ms. Radha Unni, independent directors are not present for the AGM due to their personal preoccupation. Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are present for the meeting. Mr. Sudarshan Kasturi, Chief Financial Officer has joined the meeting from the Registered Office of the Company. Welcome Mr. Sudarshan.

I extend a warm welcome to both Mr. Amit Kumar Agarwal, Partner, Price Waterhouse LLP, Chartered Accountants, Statutory Auditors, and Mr. Keyul M. Dedhia of M/S. Keyul M Dedhia & Associates, Secretarial Auditors. I also welcome Mr. M. D. Selvaraj scrutiniser, appointed for scrutinising remote e-voting as well as voting during the AGM.

The notice convening the meeting and the Auditors report has already been circulated to all shareholders and I request the shareholders to consider the same as read. Now I request Mr. Mithun Chittilappilly, Managing Director to please address the Shareholders.

**Mithun K Chittilappilly :**

Thank You Chairman. Good morning and welcome to the Annual General Meeting of V-Guard Industries Ltd. I am delighted to stand before you today to appraise you about the performance and achievements of our company for the first Financial Year.

Amidst an uncertain business environment plagued by inflation and volatile commodity prices, V-Guard has delivered a creditable performance. Our consolidated revenue for the year stood at ₹ 4,129 crores, reflecting a strong growth of 18%. This topline achievement was accompanied by a Profit After Tax (PAT) of ₹ 189 crores. I am pleased to highlight that a significant portion of this revenue, about 45%, was contributed by the non- South markets. With the sustained progress we have made over the years, we have now a sizeable business in our newer markets. Our growth trajectory during the year was guided by the addition of new capacities, new product innovations, new technological advancements, emerging channel play, expansion of the distribution network, driven by the strong commitment and passion for our employees.

I am pleased to inform you that the Board has recommended a dividend of ₹ 1.30 per share, demonstrating our commitment to rewarding our shareholders for their continued trust and support of the company.

I would like to touch upon some of the key pillars that will be in focus as we drive the growth strategy of the company going forward.

- 1) Increasing focus on Mergers & Acquisitions,
- 2) Strengthening our Manufacturing Capabilities
- 3) Navigating the Changing Consumer Landscape
- 4) Placing a Strong Emphasis on ESG

Mergers and Acquisitions will be a key element of our growth strategy going forward. Our acquisition of Sunflame - one of India's leading kitchen appliances brand was one of the year's most notable events. This acquisition is an excellent strategic fit and will enable us to become a significant player in the Kitchen Appliances category. Another significant development during the year was the merger of Simon India with V-Guard. The strategic investment in the profitable modular switches business will complement our existing switches business and drive category expansion.

As a critical facilitator of our growth plan, we are also investing in enhancing our manufacturing capabilities. There has been a significant transition from outsourcing to in-house manufacturing. This will help in enhancing our cost competitiveness, provide better speed to market, drive product quality and innovation besides reducing our dependence on imports. We have set up state-of-the-art facilities that manufacture stabilisers, inverters and ceiling fans in the last few years. Three more facilities are underway which will enhance our manufacturing capabilities in Table, Pedestal, Wall fans segments, Batteries, and kitchen appliances.

In recent years, India's consumption habits have seen a tremendous shift. Several factors have contributed to this shift, including economic growth, urbanization, technological advancements, and evolving social and cultural dynamics.

Some of the key trends that are emerging to the forefront. We are witnessing a shift towards organized retail and e-commerce across product categories that were traditionally led by the General Trade channel. Consumers are increasingly preferring the convenience and wide range offered by organized retail and E-Commerce also has witnessed an exponential growth led by competitive prices and changing shopping habits. The growth of digital payments and the rising use of smartphones have contributed to this transition. We have registered > 50% CAGR over FY21– 23 in E-Commerce channels. Efforts are also underway towards strengthening our Modern Retail presence with the right assortment of products and appropriate commercial operating model.

With growing aspirations and rising income levels, there is an increasing demand for premium products which are expected to have a significantly larger share of the overall market. Consumers are willing to pay more for higher quality, branded products, and personalized services. Our brand promise "Bring home a better tomorrow" serves as the motivation for our innovation journey. During FY'23, we worked on more than 50 different projects across Technology Innovation and Design Innovation. At the same time, we have built a strong pipeline for future projects as well.

With the widespread availability of affordable internet access, Indians are consuming a significant amount of digital content. Streaming platforms, online gaming, and social media have become popular forms of entertainment, this influencing consumer behaviour and marketing strategies. We are actively investing in customer acquisition strategies, leveraging data analytics and targeted marketing campaigns to connect with the digital savvy consumer.

Indian consumers are increasingly conscious of ethical behaviour and environmental sustainability. Consumers are increasingly seeking out eco-friendly and socially responsible products. We have intensified our attention on ESG efforts as a responsible

corporate citizen. We believe that by prioritizing sustainability and ethical practices, we can contribute positively to society and the environment. To lessen our carbon footprint, we have implemented efforts including extending the lifespan of our products and eliminating plastic from our packaging. We want to roll out more green products in the future in addition to the renewable energy products that are already available which are in solar heaters in solar inverters segments. We have been utilizing wind energy in parts of our operation since over a decade ago and efforts are underway to increase the use of renewable energy for our manufacturing facilities. We are embarking on a formal ESG programme with the goal of making sustainability a key part of our corporate strategy.

We continue with our commitment towards social welfare and have spent a total amount of around ₹ 550 Lacs during FY 2022-23 in Edu Care & Skill Development, Health Care, Build India, Women Empowerment as the key focus area.

In conclusion, I would like to extend my gratitude to our esteemed shareholders for their unwavering support and trust in V-Guard. Finally, I would like to thank Mr Cherian Punnoose, Mr CJ George, Mr. Ullas Kamath who has been an integral part of V-Guard board guiding us for the last 10 years and more and helping V-Guard to become what it is today. As we navigate through challenges and seize new opportunities, we remain step fast enough commitment to delivering value and growth. Thank you for being an integral part of our journey. Thank You.

**Cherian N Punnoose :**

Thank You Mithun.

Now, we are moving to the main agenda of the Meeting that is taking up the ordinary and special business to be considered. I request Company Secretary to brief the Ordinary and Special Business to be transacted.

**Vikas Kumar Tak:**

Thank you Sir. There are 9 agenda items for approval of shareholders today.

**Three are Ordinary Business:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of Auditors and the Board of Directors thereon.
2. To declare dividend of ₹ 1.30 per equity share for the Financial Year 2022-23.
3. To appoint a Director in place of Mr. Ramachandran V (DIN: 06576300), who retires by rotation and being eligible, offer himself for re-appointment.

**There are 6 Agenda items of Special Business which are:**

4. To ratify the remuneration payable to Cost Auditor.
5. To consider appointment of Mr. Ishwar Subramanian (DIN: 01473535) as Non-Executive Independent Director of the Company.
6. To consider appointment of Mr. Antony Sebastian K (DIN: 01628332) as Executive Non-Independent Director of the Company.
7. To Payment of emoluments to Mr. Kochouseph Chittilappilly, Chairman Emeritus.

8. To Grant of options to employees of subsidiary company(ies) under the Employee Stock Option Scheme, 2013.

9. To create further number of options for grant under the existing Employee Stock Option Scheme of the Company.

These are the ordinary and the special businesses. The objectives and implications proposed at the AGM are already set out in notice of the AGM and explanatory statement and for the sake of brevity, are not being repeated again. However, if members want to ask any further clarification they may raise it at the 'Q&A' session. Thank You Sir. Over to You Sir.

**Cherian N Punnoose :**

Thank You. Now, I request speaker shareholders Registered with the company to raise their questions. I understand there are eight such registrations. However, shareholders who have not registered as speakers and now desire to ask any questions can use the chat box below the screen to ask their questions. To avoid repetition, the Board will respond to all the questions at the end. Speaker Shareholders please raise their questions in the order of names as called by the moderator. Now, I request the moderator to call the names of speaker shareholders registered.

**Moderator:**

Thank you very much sir. We will now begin with the question-and-answer session and I request each of the speaker members to read with their questions to a maximum of 2 minutes for the benefit of other members. In case you have more questions to ask, you may send the same to the company by email and the same will be replied to. We will first take up all the questions from the members. Thereafter, the management will answer all the questions. I now invite Mr. Praveen Kumar who has registered himself as a speaker to ask questions. Mr. Praveen Kumar you may ask the questions.

**Praveen Kumar:**

Hello, am I audible sir?

**Moderator:**

Yes, you are audible.

**Praveen Kumar:**

A very good morning to my respected chairman, respected MD, well decorated esteemed board of directors and my co fellow shareholders joining this meeting online. Myself Praveen Kumar joining this meeting from New Delhi. Sir I have few observations which I love to share with entire house but first of all sir I am very deeply thank to you. The address speech to the shareholders, it was very in depth speech, easy to understand language for retail investor like me and very informative by the same time. So, I am thankful to my respective chairperson for this initiative you address to the shareholders sir. I am with a company for such a long time and over the period of time what I observe, I truly salute your dedication, your devotion to bring the entire focus to bring sustainable growth to the retail investor. So I truly salute you, your hard work which will pay in the long run and I am very thankful to be a part of such a legacy sir and very thankful the investor friendly approach you are having which is fantabulous sir as far as I supported all the resolutions, which is set up for the notice and as company at a very interesting stage. The sky is the limit and I have great faith, great trust and great respect you, your leadership, your vision to take our company to the newer height in the future Sir. Sir one

more thing which I love to add, I love to thank our marketing head, our CFO for designing our annual report in such an easy to understand manner so that every retail investor will understand it, the financial complication because it is very investor friendly, transparent, ethical and sir one more thing which I love to address here, all the retail investor fraternity that sir under the leadership of your I love to thank our company secretary Mr. Vikas Tak. I think we are grateful that we will be having him. I welcome him on board and he has truly multinational companies experience. So, it will be a great asset for us in the long run and the entire company secretary team because they are providing excellent communication to the shareholder and very thankful to them and if I have any queries during the year, it will be prompted reply. So, I am very thankful that truly boost my morale that yes, this company listen to us, care for us and you know, if you have anything, it will be promptly replied. So, it is a very you know because I put my hard earned money into the company, and it will be taken care of. Sir one more thing which I love to add here is I am very thankful to you and the entire management team that we as a citizen of India, it's a great victory for all of us in the entire world. Jo hamara you know chandrayaan 3 landing in the moon. So I am very thankful. It is a beautiful combination that you conducted our AGM today and that is the proud moment for us. I wish you all the best for that also and I am thankful to the entire management team to give me this platform to share my views and express my feeling. Wish you all very, very best Sir. God bless you, was sure very, very positively on you so that you will take our company to the new height to the top and I am thankful to the entire management team. The CSR activity you are doing, you have touched the life of many people at bottom of the pyramid of the society of India and very thankful to you for your positivity. Thank You Sir thank you, all the very best and thank you for this opportunity.

**Moderator:**

Thank you Mr. Kumar. I now invite Mr. Babu George MV, who has registered himself as a speaker to ask questions. Mr Babu George, who has registered himself please ask your questions. He is not present, so we move to the next shareholder.

I now invite Mr. Goutam Nandy, who has registered himself as a speaker to ask questions.

**Goutam Nandy:**

Hello

**Moderator:**

Hello. Yes Sir

**Goutam Nandy:**

Hello am I audible?

**Moderator:**

Yes Sir, you are audible.

**Goutam Nandy:**

Thank You. Good Morning respected chairman, board of directors and my online fellow shareholders. Myself Goutam Nandy from Kolkata. The city of joy very old equity shareholder of V Guard Industries Limited. Sir firstly I like to give thanks to your secretarial department for sending me annual report along with notice and necessary joining link through email all in advance. So, specially thanks to our respected company secretary Mr. Vikas Ji and his whole team of your secretarial department for rendering good services to



our minority shareholders. Sir you are organising your annual general meeting through video conference, and I find it is a damn success. Sir, I am very pleased to receive your wonderful annual report which is very attractive and also very informative. Sir accounts and performance ke baare mai aap itna shundar describe kar diya hai aapka annual report mai sir aur toh kuch puchana hi nhi hai Sir. I find very good performance in every segment. Even in this challenging year, now the situation is still very tough. Covid-19, Geopolitical Situation, Russia- Ukraine war ye sabka effect abhi tak khatam nhi hua, abhi tak zari hai. Every company is suffering very much, still you are paying very good dividend to our minority shareholders. we are very happy sir. Sir your CSR is also very good. So, please keep it up. Sir, I like to know What is your road map for the next 3 to 4 years? Sir are you going to launch any new product in this year? Sir do you have any expansion programme in the near future? Sir is there any plan to issue bonus share in near future?

Aapne last bonus share issue kiya tha hum shareholders ko 2017 mai toh bahut saal ho gya sir thoda consider kijiye agar sambhav ho toh. Sir one request if situation permits, please arrange a factory visit in the coming winter season at least for the speaker shareholders. We are eagerly awaiting for the visit sir. Aur zara ek baat hum log jo speaker shareholders outstation me rehte hai please arrange accordingly including to and fro tickets. So, please consider sir. Sir another thing please provide speaker serial number with your link, which you are sending to us in advance. It is very important thing sir for our minority shareholders sir speaker shareholders sir. I have requested for the hard copy of annual report. If possible, please send it at your earliest. Sir better late than never. Sir I am very proud to be a shareholder of your company. I have full trust with our strong management and I do along with my family whole heartedly support of all resolutions. All 9 ordinary and special resolutions which we have already casted to our equity. Sir looking forward with a positive outlook towards our company with high profit margin and some dividend, 1:1 bonus and a return. Sir may god bless you sir. Stay safe stay healthy. Thank you very much sir my self Goutam Nandy signing off from Kolkata. Thank You sir.

**Moderator:**

Thank You Mr. Goutam. I now invite Ms. Prakashini Ganesh Shenoy, who has registered herself as a speaker to ask questions. As she has not joined the meeting, we now move to the next shareholder.

I now invite Mr. Yash Pal Chopra, who has registered himself as a speaker to ask questions. Mr. Yash Pal Chopra is also not available. I now invite Mr. Arun Kumar Boppana, who has registered himself as a speaker to ask questions.

**Arun Kumar Boppana:**

Hello?

**Moderator:**

Yes, we can hear you

**Arun Kumar Boppana:**

Good afternoon to everybody. I think there is a problem today. We have Wonderla and V-Guard the same time 11 o'clock. I hope you avoid the clash within the family and it is not right and I am annoyed that you did not give the serial number, that is the poor respect for shareholders because I had simultaneously had to speak there too. I would advice you to give the serial number in future. It is not difficult sir, company secretary not that busy to this small work. A little disappointment on the commitment of company secretary. See I am a customer of V-guard from very long. It is a price range, because if you see in Amazon. The price range from about 1200 to about 4,000. So, what is the difference in the technology? Even our own product sir my TV V-Guard this is 3,500 which I have. I

have 4 of them and I have for my air condition for ranging from 1800 to 3500. Can you explain the difference. I think we are going to have 1 billion middle class very soon. Are you increasing your production capacity so that you made the demand because energy is going to be the major thing and safety of the equipment is very important for us and what will be our major buckets and strategy and playing volume price and opportunity? Are you looking for any synergies of partnership, acquisitions and new geography sir for faster growth?

Cyber security because this is a major issue and we cannot sit back and wait for plump to fall. Is the company taking care of cyber security? Globally the shortage of people with right skills. What is the HR budget reboot to fill the skill mismatch with a new age courses like coding, robotic etc? IEPF and KYC is the major issue sir but I am not stuck with your company but I would suggest you take initiative and ask the company secretary to help the people stuck with IEPF. There is a company in Gurugram who charges 12-13%. Even that is cumbersome, the company negotiates directly to be much easier. I think if you get in touch with me, I can definitely help the small shareholders benefits. Wish you all the very best. Thank you very much.

**Moderator:**

I now invite Mr. Lokesh Gupta, who has registered himself as a speaker to ask questions. Mr. Lokesh Gupta is not present in the meeting. So, we move to the next shareholder.

I now invite Mr. Vinay Vishnu Bhide, who has registered himself as a speaker to ask questions. Mr. Vinay Vishnu Bhide, we request you to ask your questions.

**Vinay Vishnu Bhide:**

Hello, are you able to hear me?

**Moderator:**

Yes, we are able to hear you. Yes

**Vinay Vishnu Bhide:**

Chairman Mr. Cherian, MD Mr. Mithun, other directors present today at AGM, Company executive and shareholders. I am Vinay Bhide, shareholder speaking from Mumbai. I just got a couple of questions to ask you. First question is that you know I believe we are serving both the domestic sectors and our industrial sector. So, as compared to same period you know last year, how do you find your overall demand in these two sectors? Whether domestic or industrial. And secondly, you know, in 2020 we launched water purifiers and kitchen chimneys. So, what is the response for that? and in 2021, we launched smart pumps. So, what do you mean by smart pumps? What do they deliver in terms of?

Please give clarifications of that and I would also like to add, you know, this is a season time of AGMs and you did hear Mr. Vikas sir, Company Secretary you must have heard earlier speakers also mentioned that just sending a link does not suffice. You have to as per the protocol followed by all professional companies is share speaker serial number also. You missed out this year please do it next year, best wishes to the directors and the employees. Thank you for giving me the opportunity of speaking.

**Moderator:**

Thank You Sir, that was the last speaker shareholder. I now hand over the proceedings to the MD. Thank you sir and over to you.

**Mithun K Chittilappilly:**

Yeah ok, I hope I have got all the questions written down. There is one chat box question also. If I missed anything, I think my colleague Mr. Ram also has been writing it down. So, we will try to answer it to the best of our abilities.

The first question was on the road map for the next 3 to 4 years. as you know, we are not allowed to give any forward looking guidance as per the current governing laws but I can say that we have made two acquisitions in the past financial year one is Sunflame which is a brand for kitchen appliances. The company is extremely strong in north and their canteen store departmental channel across the country. The company also has another brand called Superflame, which is also present in the canteen stores department. The second acquisition, or the merger we did was with Simon. Simon Electric India was an arm of a global multinational based out of Spain called Simon electric which is one of the pioneers in switches industry globally for the last more than 100 years. With this, we are hoping to use their world class production facilities in Haridwar to manufacture V-Guard's own switches and also we have a technology partnership with Simon where we will co-develop products for India whereby we get access to their global portfolio products. So, I think for the next 3 to 4 years, growing Sunflame business plus the V-Guard own kitchen business is close to 500 crore. So, growing this 500 crores, very fast in the next 3-4 years will be our most priority and making the combined V Guard and Sunflame business to be a very strong kitchen portfolio in the country and second will be on turning around Simon business in India and further growing the switches business. So, these are the some of the immediate priorities for next 3-4 years. The other thing we will be focusing on, we will also be expanding V-Guard into e-commerce. E-commerce today is roughly 6 to 8% of the revenue of the concern categories and growing that share will be one of the focus areas. The other thing will also be getting V-Guard into modern trade, V-Guard's presence in modern trade is little under index when compared to some of the other premium products. So, focussing on modern trade will be another activity we will be doing.

Regarding new products, unfortunately this is a sensitive area, so we cannot talk about any new launches because of the sensitivity. So, we usually do not talk about any new launches unless we are ready to announce it to the public.

I think expansion programme I have already covered. There was a question on bonus share. So, bonus share, I think it's a board decision. So, at an appropriate time, the board looking at the value of the share and other parameters, we will take a call whether to issue bonus shares, that's I am making a comment on behalf of the board.

There was a question on the special speaker serial number by all the speaker shareholders. So, I think we will take care to ensure that we give a speaker serial number. We only had 8 people registered in the current day for AGM, maybe that's why, but I think in future even if it is a low number who is registering to speak, I think it is better to give a serial number.

There was a question on the hard copy of the report, so that can be sent, I think, on request. we have a policy of sending hard copy if it is requested and that can be sent.

There was a question on factory visit, again I need to check this because I am not sure whether this is a normal practice done by companies, where they take shareholders to factories incurring all the travel expenditures. So, we will have to check whether this is an acceptable practice and also we do not want to be flaunting any rules and regulations.

We will come to the next speaker, so there was a question on the price range. So, on Amazon, I am guessing this is for stabilizer, so it ranges from 1200 rupees to 4,000 rupees. So, we have a television, refrigerator, air conditioner and mainland stabilizer. We have largely 4 categories and there are more smaller categories of stabilizers available, and we also have stabilizers that work from 90 volts to 180 volts-170 volts. So, there is different

types of stabilizers depending upon where you are based. Certain parts of the country, the voltages are very low. So, that is why there is a difference between stabilizers. I think if there is any doubt, I would ask you to either call our toll-free number or customer care number or email to us or even visit your nearest retailer to find out what is the right stabilizer to buy for the type of appliance and for the area you are based in. The type of stabilizers we sell in for example Kerala where the voltage fluctuations are low are very different from what we sell in something in let's take Orissa where there is usual fluctuations. So, that is where there is a range of products, and they come in different prices.

Are we increasing production capacity in accordance with the increase in market size? Yes, like we mentioned, we have set up 2 factories in the last 4 years and we are in the process of setting up 3 more factories in the next 2 to 3 years. So that's the kind of production capacity that is coming on board. This is apart from the investments our vendors are increasing their own production capacity as the demand increases.

Any new M&A or Partnership? Yes, like I said, again, M&A is something that we will look at. Today of course, we are busy with the 2 of the acquisitions and we also have made investments in startups, one of the startups where there is a new type of battery being developed. So, V-Guard and its team constantly looks out for either partnerships or M&A opportunities, but may be 18 months down the line, we will probably be in a better position to talk more about any further M&A because today we are busy with integrating the current acquisitions.

There was a question on cyber security. I think we have done a project with Deloitte where we have assessed the current cyber security maturity model of the company and we are almost we are above the average and we are close to the median in India but we have put in place a project to take us to the next quadrant of cyber security where the company will be much above the median and on the top quartile of the companies between of our size of maybe 2002 6,000 Crores of revenue size and then our sectors and Ram want to add something about cyber security.

**Ramachandran V:**

Yes, I think what we have done is we have looked at cyber security maturity in this country and we have set it up to progressively enhance our cyber security capability along this maturity map and I think the next 2 years, we hope to be a longer top quartile of companies in India on cyber security.

**Mithun K Chittilappilly:**

There was a question on skill development what we are doing on skill development, Ram take that as well.

**Ramachandran V:**

On the people front, I think your company has been quite fortunate to be able to onboard the great talent and the company has also been fortunate to have highly entrepreneurial and committed talent which has joined the company on board over the last 20, 30 years and this combination is driving the future progress for the company. We are continuously evaluating the future. We have long term process of strategic planning which we refresh every 4 years. Part of the journey we are looking at what skill and capability that we need to build to for us to be able to win our battle for the next 5 years and the next 10 years. We have a talent onboarding road map which is consistent with this journey. So, this is a continuous and ongoing process and there are areas that we build out internally in the company and there are areas that we would choose to work with partners from outside. This is a dynamic process not only based on the criticality of the emerging scale area be it analytics, be it artificial intelligence and many other developments that are coming in.

We, as a company, have been very aggressive in adopting technology to digitize the business. Adopting digital technology and adopting emerging technology is at the heart of how the company sees evolving our business. So, talent strategy is a very, very integral part of enabling us to travel the journey and that's very much at the centre of what we do.

**Mithun K Chittilappilly:**

Okay, thank you Ram, there was a question on the IEPF investor protection fund and so we will study and come back. I mean, today, I think we are adhering to what the laws mandating us to do, in case there is any shares, or any dividend that goes into this fund.

Regarding the possibility of working with some external agency, we will have to come back. Again, like I said, we have to follow the rules and regulations set on by the stock exchanges and the SEBI.

Move to the next speaker, there was a question on domestic versus industrial sector. So, V-Guard traditionally always has been more focused on the consumer side. That is the domestic side of business. In fact, even in our wire category, which is cable's category, we don't do the industrial cable. So, we do only the building wiring cables, primarily going for construction and that also more focused on retail rather than projects. Now, for many years in India the industrial segment was played with over capacity and poor payment terms and poor realizations and all those bad debts and all kinds of things. So, industrial segment has suffered a lot. But I think the last 18 months, there has been a huge rebound. However, V-Guard is not present in the segment. So, we have to say that we are not focused on the industrial segments. We are not experts in getting tenders, doing B2B businesses, managing tenders, getting tenders and all kinds of things. Although the last 18 months, there has been a huge growth in segment so, I have to say that in that respect V-Guard has lost a lot of growth by not being exposed into this sector but I think our ethics and our standards do not allow us to do certain things. So, we may not, you know, we will come back, but as of now, we have no plans to get back into B2B business. V-Guard will remain and focus on consumer business and we will consolidate our position in that segment. getting into B2B business requires a different type of organization, which today we are not having and we are not today. We do not have the bandwidth to do that.

There was a question on the launch of water purifiers and chimneys and there was a question on smart pumps. Ram you want to take this too?

**Ramachandran V:**

Yeah, I think a couple of years back, we had entered into water purification and kitchen chimney business. The water purification business, we have been able to make a very good beginning. I think we are focused only on e-com channel and we have used the last couple of years to build an outstanding capability to service, which is what I would say differentiated requirement for water purification and we have also been able to create a portfolio products which have potential to win in this business. I think the water purification business is developing well, and we are on course, the kitchen chimney business is more nascent compared to the water verification business. We have had some challenges in terms of sourcing because we had to set up a domestic supply chain and so this is also progressing well, we are a bit behind in terms of timeline on our progress roadmap as we had to make adjustments in supply chain post covid.

As far as the smart pump is concerned, the smart pump was an initiative to add the smartness so that the pump can intuitively support the requirements of consumers like monitoring water levels like switching on switching off at desired or required times, like, controlling the volume of water that you want to pump and so on and so forth. So that's what the smart pump is about. I think I have answered two questions.

**Mithun K Chittilappilly:**

Okay, now I think I will go to the chat box question. There is only one, Mr. Chairman kindly let me know the vision behind the acquisition of Sunflame business. I will answer that. So, I think V-Guard, there is a 2<sup>nd</sup> part of the question, which I will answer later. V-guard started the kitchen appliances business in 2013 about 10 years back. Today, V-Guard has roughly about 200 crores of kitchen revenue and, it is not hugely profitable, but it is EBITA positive. It's in mid single digits. However, we are finding difficult to scale up kitchen on our own and we scoped out to see if there are any companies available or would be a good fit for V-Guard. So, we came across Sunflame, which had a huge, which are almost 80% of its revenues coming from North and West markets and V-Guard had almost 100% of its kitchen revenue coming from South market. So, we found that to be a great, complimentary in terms of the market. Sunflame is roughly close to 40 years old. It was, I think, set up in 1982. So, it is a brand with a lot of equity and we want to grow this brand. Like I said, the combined business of Sunflame and V-Guard is around 500 Crores and we want to take this, I can't even talk about any numbers, but we want to grow into one of the largest kitchen business in the country. Sunflame is already a household name in North and in some markets in West and select markets in South, so Sunflame has a lot of white spaces. They are not present in much in east and even in south, they have very scarce market share. So, our focus will be on growing these regions. Sunflame is also having very low presence in e-commerce and modern trade and that is an another area that V-Guard will use it's relationship with e-commerce partners and modern trade partners to grow the Sunflame business also. So, this is going to be roughly the idea. This is roughly macro idea behind the acquisition and I think we have put in a great management team in place, and we are hopeful of realizing what the goals we have set out to do.

The next part of the question, I will ask our CFO to answer what was the cost of the acquisition and how was it financed? So, I thought I will ask CFO to answer the exact number.

**Sudarshan Kasturi:**

The Sunflame acquisition was around ₹ 680 Crores and that was done using a mix of internal accruals and some term loans. We borrowed about ₹ 375 crores through a mix of bank and NBFC funding and the balance was through internal accruals.

**Mithun K Chittilappilly:**

Okay, I think so with this, we have come to the end of the Q&A session. I will hand over to Vikas. Sorry, handover to Chairman.

**Cherian N Punnoose :**

Thank You Mithun, Thank you Ram and Sudarshan and I thank the shareholders, especially for those who are taking time to ask questions and participate in our meeting. Now I request Mr. Ramachandran V to propose vote of thanks.

**Ramachandran V :**

Thank You Cherian Sir. Thank you, dear shareholders for being part of today's AGM. I would like to now take this opportunity to thank our chairman, my colleague Board of Directors, my colleagues in V-Guard, the shareholders who are present today, our Auditors Price Waterhouse Chartered Accountants, LLP who are our Statutory Auditors, represented by Mr. Amit Kumar Agrawal and his team, our Secretarial Auditors, Mr. Keyul M. Dedhia and Associates, Scrutinizer – Mr. M.D Selvaraj, RTA, Link Intime, CDSL and

Ms. Swati who has been kind to facilitate this virtual AGM. Thank you all, thank you very much for all the support that you have provided to make today's event happen today.

**Cherian N Punnoose:**

Thank You Ram.

Dear shareholders, as all business items are discussed and transacted the meeting stands concluded. Voting time is extended for another 15 minutes and members who have not cast their votes yet are requested to do so.

Further I hereby authorise Mr. Mithun Chittilappilly, Managing Director to declare the results of the voting and place the results on the website of the company along with the scrutinisers report.

The resolutions as set forth in the notice shall be deemed to be passed today subject to getting the requisite number of votes. E-voting results along with scrutinisers report shall be placed on the website of the company within statutory timelines.

Thank you all for attending the meeting and I hereby declare the proceedings closed.

**Moderator:**

Thank You Chairman Sir. Dear members, the e-voting time is extended by another 15 minutes. The members who have attended the AGM and not yet casted their votes can avail now. Thank you.