

## V-GUARD INDUSTRIES LIMITED

**Transcript of the 24<sup>th</sup> Annual General Meeting of Shareholders held on August 12, 2020**

**Meeting started at 3:30 p.m. and concluded at 4.50 p.m.**

**Directors & Executives present:**

<b>Name</b>	<b>Designation</b>
Mr. Kochouseph Chittilappilly	Chairman Emeritus
Mr. Cherian N Punnoose	Chairman & Independent Director
Mr. Mithun K Chittilappilly	Managing Director
Mr. Ramachandran V	Director & Chief Operating Officer
Mr. C J George	Independent Director
Mr. Ullas K Kamath	Independent Director
Ms. Radha Unni	Independent Director
Mr. B Jayaraj	Non-Executive Director
Mr. Sudarshan Kasturi	Chief Financial Officer
Ms. Jayasree K	Company Secretary

**Auditors present:**

Mr. Sandeep Karnani	Partner, M/s S R Batliboi & Co LLP, Statutory Auditors
Mr. Keyul M Dedhia	Proprietor, M/s Keyul M Dedhia & Associates, Secretarial Auditors

**Scrutinizer:** Mr. M D Selvaraj, Practicing Company Secretary

**Brief made by Ms. Jayasree K, Company Secretary**

Good afternoon respected Chairman Emeritus, Directors, Shareholders and others.

I am Jayasree, Company Secretary, of V-Guard Industries Ltd. Welcome to the 24<sup>th</sup> Annual General Meeting of the Company. Before the formal address by the Chairman, would like to make some regulatory updates.

Normally, the Company convenes townhall Annual General Meeting; however, due to COVID – 19 pandemic, as per the directives issued by the Central and State Govts and other regulatory authorities, 24<sup>th</sup> AGM of the Company is convened through Video Conferencing (VC) / other audio-visual means (OAVM). The Company has engaged National Securities Depository Limited to provide webex facility to enable shareholders to attend the AGM and 1000 shareholders can participate the meeting.

Shareholders are encouraged to participate in the meeting through laptops for better experience. Further the members will be required to use internet with a good speed to avoid any interruption during the meeting. We have received request from some of the shareholders for registration as speaker shareholders in the AGM.

Non-speaker shareholders who are attending this meeting can raise their queries through the chat box provided. The queries will be answered after receiving all questions. All the

shareholders will be in mute mode and speaker shareholders will be unmuted when their turn for raising questions comes up.

Remote E-voting began on Sunday, August 9, 2020 at 09:00 a.m. and ended on Tuesday, August 11, 2020, at 05:00 p.m. Members who have not casted votes, can vote during the meeting and the e-voting module is kept open through-out the meeting.

All the statutory registers including Register of Directors, Key Managerial Personnel and their shareholding and other documents related to the Ordinary and Special Businesses are made available for inspection. Kindly place the request at [investors@vguard.in](mailto:investors@vguard.in) for soft copy of the documents. The Auditors of the Company have issued certificate on compliance of provisions relating to Employee Stock Option. The Board's remark to the observations of the Secretarial Audit is included in the Directors' Report.

I now request Mr. Cherian N Punnoose, Chairman, to formally welcome the shareholders & deliver his address:

Thank you. Over to you Sir.

**Welcome address by Mr. Cherian N Punnoose, Chairman**

Thank you Jayasree.

Good afternoon Dear Shareholders, Chairman Emeritus, Directors and all attendees.

We have more than thirty members present and attending this meeting through audio-visual medium. As we have the required quorum present for the meeting, I call the meeting to order.

I am Cherian N Punnoose, Chairman of the Board and I am attending this AGM from the Registered Office of the Company in Ernakulam.

I take this opportunity to inform you about the important changes in the Board since our last meeting. Mr. Kochouseph Chittilappilly, founder of V-Guard group and Chairman of the Company opted to step down as Chairman for personal reasons by end of the last financial year.

In the best interest of the Company, the Board requested, and he consented to be Chairman Emeritus. This decision was given effect from April 1, 2020.

Mr. B Jayaraj joined the Board as Additional Director effective from April 1, 2020.

On behalf of all the shareholders and the Board of the Company and on my own behalf, I extend our sincere gratitude to Mr. Kochouseph Chittilappilly, the founder of this esteemed Company, for building a robust brand in the consumer electrical space. He has built the organisation with great values and the Board and the Management is committed to take it forward by meeting the aspirations of all stakeholders.

Thank you, Sir, for building an organisation which is highly respected and regarded for its values.

As briefed by the Company Secretary, considering the outbreak of COVID-19 and adhering to the directives issued by the Central, State and other administrative authorities, this meeting is being held through other audio-visual means.

I welcome all the shareholders to this 24<sup>th</sup> Annual General Meeting (AGM).

I extend a warm welcome to Mr. Kochouseph Chittilappilly, Chairman Emeritus and other colleagues on the Board of the Company to the 24th AGM and request the Directors to please introduce themselves.

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

Good afternoon everybody. I am Mithun K Chittilappilly, Managing Director. I am joining this AGM from the Registered Office at Ernakulam today. Thanks.

**Mr. Ramachandran V, Director & Chief Operating Officer**

Good afternoon everybody. I am Ramachandran V, Chief Operating officer & Director. I am joining this AGM from my residence at New Delhi. Thanks.

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

Good afternoon everybody. I am C J George, Independent Director. I am joining this AGM from my home at Ernakulam. Thanks.

**Mr. Ullas K Kamath, Independent Director**

Good afternoon everybody. I am Ullas Kamath, Independent Director. I am joining this AGM from my office at Bangalore. Thanks.

**Ms. Radha Unni, Independent Director**

Good afternoon everybody. I am Radha Unni, Independent Director. I am joining this AGM from my residence at Chennai. Thanks.

**Mr. B Jayaraj, Non-Executive Director**

Good afternoon everybody. I am B Jayaraj, Non-Executive Director. I am joining this AGM from the Registered Office of the Company at Ernakulam today. Thanks.

**Mr. Cherian N Punnoose, Chairman**

Thank you all. Ms. Joshna Johnson Thomas, Director, is not present for this meeting due to pre-occupation.

Mr. Sudarshan Kasturi, Chief Financial Officer, has joined from Bangalore for this meeting. Sudarshan welcome to the meeting.

I also extend a warm welcome to Mr. Sandeep Karnani, Partner, M/s S.R Batliboi & Associates LLP, Statutory Auditors, Mr. Keyul M Dedhia of M/s. Keyul M Dedhia & Associates,

Secretarial Auditors. I also welcome Mr. M D Selvaraj, Scrutinizer, appointed for scrutinizing remote e-voting as well as voting during the AGM.

The Notice convening this meeting and the Auditors' Report had already been circulated to all shareholders and I request the shareholders to consider the same as read.

Now, I request Mr. Kochouseph Chittilappilly, Chairman Emeritus to address the shareholders.

**Address by Mr. Kochouseph Chittilappilly, Chairman Emeritus**

Dear Mr. Cherian N Punnoose, Chairman, Board of Directors, other fellow Directors on the Board of V-Guard and my dear Shareholders, Good Afternoon. It gives me immense pleasure to address you as Chairman Emeritus of V-Guard. On the request of the Board and with consent of all of you, I agreed to continue as Chairman Emeritus.

In this prestigious moment, my memories go back 43 years, when I started a small company with two employees and Rs. 1 Lakh borrowed from my father and with his blessings. The company started to steadily grow, and I was ably supported by Mr. K Vijayan who had more than 15 years' experience. Together we were able to create a strong and ethical company called V-Guard. I always believe that the "V" in the V-Guard's name is my team who are all ordinary people doing extraordinary things to take the organisation forward, while we always upheld our core values and ethics in all our actions. The mantra for our success has been to ensure best quality products to our customers resulting in maximum customer satisfaction. In fact, these are the pillars on which the success story of V-Guard is based upon.

We took a giant leap in 2008, when we went for our Initial Public Offer and I am happy to share that over the years we have been able to generate handsome wealth to our employees and shareholders. Over the last one decade under the able leadership of Mr. Mithun and assisted by Mr. Ram, the Company has taken a quantum leap both in terms of business and profitability akin to what the animal in our logo characterises "The Kangaroo". Even in the current Covid-19 crisis V-Guard continues to grow and remain strong and stable and I expect it to remain so in the coming years.

I would like to take this opportunity to thank our Independent Directors, Mr. Cherian, Mr. George, Mr. Ullas and Madam Radha Unni for helping and guiding me always while taking V-Guard to the next level. I am happy that Mr. B Jayaraj who has been part of our Group for more than 35 years has now been inducted as Director on the Board of V-Guard. I would like to now conclude and express my sincere thanks to each and every shareholder and assure of my guidance and support to the team whenever required.

Thank you all.

**Mr. Cherian N Punnoose, Chairman**

Thankyou Mr. Kochouseph.

Now, I request Mr. Mithun Chittilappilly, Managing Director to address the shareholders.

**Address by Mr. Mithun K Chittilappilly, Managing Director**

Dear Shareholders, Chairman Emeritus, Chairman of the Board, my other fellow Board Members and colleague's Good afternoon to you all. I have made a statement on the journey of V-Guard in the last Financial Year but more importantly I would like to take you through on what V-Guard has been doing post the pandemic hitting the country in March.

Firstly, I would like to briefly share the Company's preparedness and response across various locations to combat the COVID – 19 pandemic. I wish to inform that all our employees have been duly educated and prepared for facing the challenges emerging from the pandemic. All our employees are safe and there has been no fatalities till date. We are also monitoring all our vendors and ensuring that all of them are following the protocols. This includes not only our factories but also the business centres of our vendors. The focus post the lockdown was on secondary sales, to ensure strong collections and ensuring minimal inventory in the current uncertain times. Our focussed efforts helped us to ensure our Cash Balances which was Rs. 138 Crs at the end of March 2020 move back to Rs. 352 Crs in June, which is the pre-covid Cash levels of the Company. This gives us a war-chest without any external borrowings for faster growth post the country returns to normalcy. The channel partners are today operating with the minimal inventory while we have extensively worked on our supply chain to ensure minimal disruptions. In fact, I believe that post pandemic success will be for those companies whose supply chains are most flexible and responsive to the needs of the market. In the present scenario, I believe that in the next few months due to the local containment zone restrictions some of our markets and factories will continue open and close as per the rules of the land.

But I believe that post pandemic all the large National Brands including V-Guard are expected to gain as smaller players would have been severely affected. What we saw post World War II and during the Great Depression was a phase of accelerated economic growth for the next 15 years and I believe the same to repeat post Covid-19.

Now I move to the highlights of the last financial years:

- The Company posted a turnover of Rs. 2,482 Crs which was lower by 3% in comparison to previous year.
- The PAT was at Rs. 185 Crs which showed a growth of 12% as against previous year.
- Overall, the Company was experiencing macro-economic slowdown until Q3-FY 20 even before the pandemic hit the economy.
- To add to this the nation-wide lockdown in the last week of March severely impacted not only Q4-FY 20 but also the overall year-end figures.
- The cash position stood at Rs. 138 Crores at the end of Financial Year.
- Considering the improved profit till Q3, the Board declared an Interim Dividend of Rs. 0.90 (90 paise) per share which was paid to all shareholders in March 20.
- The Company during the last financial year launched new products like "Arisor" in the AC Invertor space which was developed after extensive R&D with involvement of outside firms, which is a success and expected to be the star performer in the next summer season. We have also launched products in the Breakfast Appliances space and in the Water Heater

space our new product “Iris” has been doing well, introduced after the blockbuster model of ‘Pebble’. We have also launched a new product “Finesta” in the pedestal fan model having five blades, lesser noise and lower energy consumption. Products have been also launched in the Smart Solar Inverter space with 10 KVA capacity.

- We have also implemented various established value enhancing and cost saving projects across the Company. Some of these projects are multi year. We have launched the Product Life Cycle Tool which basically is going to manage the entire Bill of Materials, R&D documents following the core standardization, simplification and platformisation approach. The software is going to centralize our procurement functions and the tool will also ensure that the product development team first consumes parts which are already in use which will result in lower consumption, more SKUs and help in driving down costs going forward. In fact, this is a proven model followed especially by automobile companies.
- On the distribution side we are trying to ensure our presence in all markets i.e. General Trade (through retail outlets), Modern Trade, Government Trade (Police & Defense Canteens) and E-Commerce platforms. Presently we are present less in the Modern and Government Trade which we are trying to build upon.
- We have sustained our activities in Brand Building and have spent the entire required CSR budget of Rs. 4 Crores through our own foundation ‘V-Guard Foundation’.

Now I move to the highlights of the first quarter of the current Financial Year i.e. Q1-FY 21.

- Revenue during April 20 was nil due to nation-wide lock; however, months of May and June had been better as compared to April as we achieved levels of 70% & 90% as compared to last financial year. Overall Revenue for Q1-FY 21 was lower by 42% and PAT lower by 93%.
- In the current FY our total CSR Budget is Rs. 4.23 Crs of which based on the recommendation of CSR committee substantial portion of the fund will be utilized towards Covid-19 relief activities. Already an amount of Rs. 1.25 crore has been spent towards the same.

To conclude I would like to add that leaving aside April 20 our performance in the current FY has been strong and we expect strong recovery post Covid-19. We continue to remain strong and expect to do well when the market situation improves. Thankyou dear Shareholders.

**Mr. Cherian N Punnoose, Chairman**

Thank you, Mr. Mithun.

Now, we are moving to the main Agenda of the meeting, i.e., taking up the Ordinary and Special Businesses to be considered.

I request the Company Secretary to brief the Ordinary and Special businesses to be transacted:

**Brief made by Ms. Jayasree K, Company Secretary on Ordinary and Special Businesses**

**a) Ordinary Business**

1. Adoption of the Standalone Financial Statements for the financial year ended 2019-20, along with the Report of Directors' and Auditors' Report thereon and the Consolidated Financial Statements for the financial year ended 2019-20 and Auditors' Report thereon.
2. Confirmation of payment of interim dividend of Rs. 0.90 (90 paise) per equity share for the financial year 2019-20.
3. To appoint a director in place of Mr. Mithun K Chittilappilly (DIN: 00027610), who retires by rotation and being eligible, offers himself for re-appointment.

**b) Special Business**

4. To re-appoint Mr. Ramachandran V (DIN: 06576300) as Whole-Time Director for a period of four years.
5. To consider appointment of Mr. B Jayaraj (DIN: 00027479) as Non-Executive Non-Independent Director.
6. To ratify the remuneration of Rs.3.50 lakhs payable to M/s. BBS & Associates, Cost Auditors.
7. Payment of remuneration by way of commission to Mr. Kochouseph Chittilappilly, Past Chairman and Non-Executive Director for the financial year 2019-20, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company.
8. To create further number of options of grant under the existing Employee Stock Option Scheme of the Company.
9. To increase overall managerial remuneration payable from 11% to 15% of the net profits of the Company for the financial year 2020-21.
10. To Increase managerial remuneration payable to Mr. Ramachandran Venkataraman, Whole-Time director in excess of 5% of the net profit of the Company.

**Mr. Cherian N Punnoose, Chairman**

Now, I request speaker shareholders, registered with the Company to raise their questions. Names of the Speaker shareholders will be called by the Company Secretary and request all the speaker shareholders to complete their questions in two minutes time. Once you have asked your question, you can log off and continue to watch the proceedings. To avoid repetition, the Board will respond to all the questions at the end.

**Ms. Jayasree K, Company Secretary**

Thankyou Sir, Now I request Mr. Karthikeyan S who has registered himself as speaker shareholders to proceed with the question.

**Mr. Karthikeyan S, Speaker Shareholder**

Dear Sir, I would like to know how the Geo-Political issues due to trade-off between India – China has affected V-Guard’s business and how is V-Guard positioning itself to the Government of India’s policy of “Aatmanirbhar Bharat”. Thankyou.

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Karthikeyan.

Now I request Mr. Giri to proceed with his question.

**Mr. Giri S Nair, Speaker Shareholder**

Dear Sir, Good Afternoon, As I understand V-Guard has acquired a company called Guts Electro, how is this acquisition helping the profitability of V-Guard?

Secondly, if such acquisitions are beneficial does V-Guard have any further acquisition plans in start-up etc? Thankyou.

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Giri.

Now I request Mr. Bijoy to proceed with his question.

**Mr. Bijoy A B, Speaker Shareholder**

Good Afternoon Everyone. I had gone through the Annual Report and in Pg. 24 I saw a section on Marketing Transformation. Can you elaborate on the same?

Thankyou

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Bijoy.

Now I request Mr. Pradeesh to proceed with his question.

**Mr. Pradeesh P, Speaker Shareholder**

Hello Sir, from the recent past I find V-Guard’s products on the E-Commerce platforms like Flipkart and Amazon. I would like to know what is your strategy on Online Marketing and how much business are you expecting from this space? Thankyou.

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Pradeesh.

Now I request Mr. Sathiyarayanan to proceed with his question.

**Mr. Sathiyarayanan R, Speaker Shareholder**

Good evening all. I would like to take the opportunity to appreciate the excellent performance of the Company especially in rolling out the products in the adjacent categories. Now when a customer goes into the shop, he can get all products of the company. I would like to ask the management to throw some light on future plans of the Company with respect to new products. Thankyou.

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Sathiyarayanan.

Now I request Mr. Abhishek Kalra to proceed with his question.

**Mr. Abhishek Kalra, Speaker Shareholder**

Hello. Respected Chairman and Board of Directors, I am Abhishek Kalra from Chennai attending meeting through Video, my questions are –

- What steps is company taking to meet Covid-19 challenges?
- What are your steps to improve the working capital position?
- Do you have any plans to cut the management and Director's fees / remuneration like 30% etc. to save costs?
- What is the per employee income of your company?
- Have you contributed anything to the PM Cares fund?
- Is the company contributing anything to political parties?
- What is the cost difference on holding the AGM in Physical mode vi-a-vis VC mode like costs toward Annual Report Printing, Venue Arrangements, VC Costs etc.
- Can you share how many shareholders attended the meeting?

Thankyou

**Ms. Jayasree K, Company Secretary**

Thankyou Mr. Abhishek, with this we have concluded with the questions of speaker shareholders. Will meanwhile check if some questions have received through the Chat Box option.

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

Kindly check the chat box questions.

**Ms. Jayasree K, Company Secretary**

As we collate all the questions for replying, shareholders may please watch the corporate video of the company.

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

Thankyou shareholders for your questions. I will be acting as the speaker and moderator for all the questions. We move to our first question which is on geopolitical issues of China and its impact on V-Guard. I request Mr. Ramachandran to take up the question.

**Mr. Ramachandran V, Director and COO**

Thanks Mithun. So, our dependence on china is on two parts of the business. One part is import of full value products and second is raw materials. In the case of finished value products more than 90-95% is sourced or made in India currently and our dependence on imports is only 5%. About 18 months back we started our water heating plant at Sikkim which is ensuring all supplies is being done from India. For the Table Pedestal Wall fans we are exploring local sourcing options. This is actively underway. The third category is a small portion of import in the small kitchen appliances which we are importing from china however we are exploring alternative sources. Over to you Mithun.

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

The next question is on how Guts acquisition is helping profitability of V-Guard and any further acquisition plans like in Start-ups. I once again request Ram to take up the question.

**Mr. Ramachandran V, Director and COO**

In terms of Guts the acquisition has been extremely favourable. When we acquired it, it was a challenging situation as the company's profitability was impacted, cash flow position was challenging and there were significant borrowings in the books. Over the last two years we have grown the Guts business through our active intervention and infusing our capability into their system by which we have been able to reposition the business and now Guts is financially healthy and has positive operational cash flows. The borrowings have been bought down and the EBITDA margins have been in range of 8 to 12%. Guts has been a favourable acquisition

On further acquisition since the last 18-24 months we have been exploring options, when we come across a value creating proposition like Guts we will communicate to market accordingly.

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

The next question is on the marketing transformation project. I request Ram to kindly take up the same.

**Mr. Ramachandran V, Director and COO**

Ok Mithun.

Over the last 4-5 years we have been focussing on supply chain transformation, consequence has been our steady improvement in margins and in our cash position. We have few more initiatives which will further create value like product life cycle management which Mithun talked about. Now its time to shift our focus to front end after the success of our supply chain transformation project. The focus of marketing transformation initiative is changing the channel landscape position. Today E-Commerce segment is rapidly growing, and we have taken significant steps to tap this potential. However, further work is to be done in this area. In fact, as Mithun had highlighted the next growth areas are in E-Commerce and Organised Trade.

But further work we have to do. Further working in E-Comm will need newer capabilities, pricing strategy and digital content acquisition.

Then within the traditional trade we are shifting focus towards deeper intervention on working on levers of greater retail extraction for our products. We believe all these initiatives will help us grow faster and improve profitability.

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

Thankyou Ram. The question on E-Commerce has already been answered. We now move to next question on new products that are upcoming. I request Ram to answer the question.

**Mr. Ramachandran V, Director and COO**

V-Guard has developed outstanding Brand Equity and outstanding consumer franchise over the years. This equity of V-Guard was fundamentally been built due to our approach on product quality & reliability and the consumer service mindset which has been built. This has enabled V-Guard to introduce successfully newer categories to exploit the V-Guard Brand Equity amongst its consumers who have had previous experience of using high quality reliable product. This journey of growth continues and we are building V-Guard as a consumer franchise and we would like to expand our Company's Brand Equity in all products used in a household. Mithun had talked about our recent interventions like small kitchen appliances and other new products. We are also on course now to launch our water purifier and the product development for it is underway and it will eventually come into the market. We believe that we will build V-Guard into a strong consumer franchise which will enhance the overall consumer lifestyle and unparalleled reliability in consumer experience.

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

Thankyou Ram. The next question I will answer.

The question is what were the steps taken to cater to Covid-19 situation. As I told earlier, we had asked our sales team not to dump products with our distributors and focus on secondary sales. In fact, we envisaged plans and helped our dealers & distributors during the March – April period to ensure that their inventory is sold out. This resulted in we having the best cash flows between April – June 2020. Like I mentioned we continue to have strong working capital we are having nearly close to Rs. 350 Crores in cash as on end of June. Now we are focussing on the supply side and step up manufacturing as and when demand revives.

The next is on cut on Management Fees / Director Fees. No, we have not gone for any salary cuts for our employees as we believe that our employees are not our liability but our assets. In this tough time we have to support our employees and not further put pressure on them by reducing salaries. So we have taken a call in V-Guard that we do not plan for any salary cuts until Company is in a very bad shape. In fact, if you remove the month of April the Company's performance and margins have been good.

On the question of Revenue per employee, our turnover has been Rs. 2400 Crores and we have 2200 employees so on an average its Rs. 1crore per person.

Next, have we contributed to PM Cares fund. Sudarshan or Jayasree would you like to answer?

**Mr. Sudarshan Kasturi, Chief Financial Officer**

I will take the question, as MD mentioned in his address we have earmarked substantial amount towards CSR activities this year of which priority is towards Covid-19 relief activities for communities in and around where we operate. Substantial amount has in fact been spent in Q1-FY 21 itself and we have not contributed to PM Cares Fund.

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

Next question Sudarshan is again for you on did we make any contribution to fund of any political party. I believe that by default we have to disclose any such contribution in our Annual report. Sudarshan can you throw some light?

**Mr. Sudarshan Kasturi, CFO**

Yes. It's given in the Notes to account it's a small amount of Rs. 5 Lakhs for the year as political contribution.

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

Next question is what is the difference between the costs of holding a physical meeting and a VC meeting. Jayasree can you answer? Also, can you respond to the attendance position.

**Ms. Jayasree K, Company Secretary**

Yes Sir. When we have a physical AGM we usually spend an amount of Rs. 3 Lakhs for the hall and for the refreshments arranged. Also, Company needs to send around 10,000 Annual report copies to shareholders who do not have their E-Mail registered and the cost is around Rs. 5 Lakhs. So, the total cost is around Rs. 8 – 9 Lakhs. For meeting through VC, the cost is around Rs. 90,000/-

A total of 81 no. of shareholders have attended the meeting.

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

Now I move to the chat box questions of shareholders.

The first question is what are the prospects of the company in FY20-21. What are the future plans.

Being a Listed Entity, we cannot make forward looking statements at this time. However, as I said excluding April the performance has been strong and we expect to make a strong recovery in coming quarters.

The second question is what our company is doing to take care of employees during the COVID time.

As I said earlier, firstly we have not cut any salary for our employees, this would negatively affect their morale so we have ensured that there is no salary cut be it our direct employees or

contract labourers. In fact, this position helped us when the markets reopened as we were able to start operating with full steam from day one itself.

The third question is what support to the employees is being given for Work from Home.

We are enabled with Microsoft Teams and all 2200 employees with Email Id's can access video conferencing through their laptops or mobile or desktops and this facility we have been having from last 2.5 years. We also have a platform called degreeed which helps employees to take courses from 14000 universities / institutions. So, for us work from home apart from the mental strain employees are going through due to lack of social interaction, I think the work from home has been great.

The next question is Like BATA for employees, you should also send us Discount Coupons for our purchases as a recognition of shareholders.

I think by Law we are not allowed to give any Discounts. So that answers it.

The next is how much sales are happening Online vs Offline and has Online sales gone up post Covid-19. I request Ram to take up this question.

**Mr. Ramachandran V, Director and COO**

Yes. So I think there are two parts to this question. The first part is when we look at relevant categories and when I say relevant categories are excluding Wires, Switches, Switch gears and pumps. I would say that we are between 4-6% in the online space.

On the second question, Yes the share has gone up significantly. The growth through E-Commerce has been 40-50% higher in the last two months.

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

The next question is that I am from Chennai and some of your products are not available in the market. Please comment.

For us Tamil Nadu has been the third largest market after Kerala and Karnataka. However wish to share that we don't sell all products everywhere and we follow a phased approach so maybe some of our new launches like switches or like our new products like breakfast appliances which is not for retail trade and only available for e-commerce trade like Amazon may not be available. Other than that you should be able to get all other products, provided shops are open.

Now the next question, please explain how many retails shops have restarted and what is Company's plans to replace Chinese Products that are coming in the unorganised market. Ram would you like to take this.

**Mr. Ramachandran V, Director and COO**

Yeah. So the opening of retail trade is very dynamic. As an example if I were to take the month of July, in the opening of the month nearly 80% shops were open which progressively came down to 50-55%. This we are talking about for our part of the business that we are addressing and as we exited the month this went back to 72%-73%. So store opening is a very dynamic

situation right now as different places go into lockdown and containment, store opening universe is also getting impacted.

On the question of China we have already addressed the same.

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

So now the last question, that I keep hearing from companies that about increasing Digital Presence, what will be V-Guard's strategy to increase Digital presence in the market place. Ram could you please answer this?

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

Yes. So V-Guard has started working and preparing for Digital since 2014-15. In fact we started with transformation of our Customer service , where we have digitally enabled the customer service process till the last mile that is technical and the franchise. However, being a fairly large mid size company, this is a progressive journey. Where we are today is that over the last 5-6 years, all the transformational initiatives be it supply chain or customer service or marketing initiatives or financial transformation, Digital is embedded in our process. That's in fact the reason we could deal with the Covid situation extremely well.

And this Degreed platform which Mithun talked about for our training or our capability we have for Video communication, which has been since 2015 and more recently we have enabled the same in all our devices to ensure on the go applications. So, we are continuously working and there is still work to be done but its a journey that's been on for seven to eight years. So the journey is on and we look to connect our consumers in the front end and in backend our operations.

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

Thankyou Ram. Jayasree so that's our last question answered, you may please continue with your proceedings. Over to you.

**Ms. Jayasree K, Company Secretary**

Thankyou sir, so we are done with all questions from speakers and chat box. Discussion on the ordinary and special business is also over.

**Mr. Cherian N Punnoose, Chairman**

Thank you to all speaker shareholders. I think all the questions were answered by us. I now request Mr. Ramachandran V, Director & COO, to kindly propose the vote of thanks.

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

Thankyou Chairman, Chairman Emeritus, Mithun, my fellow Board Colleagues and Shareholders. Thank you for joining and connecting with us in this difficult period. I would like to take this opportunity to thank my colleagues and employees of V-Guard for all support and help. The team is a pillar of passion and commitment. I would also thank people who have helped to make this event happen successfully. Thankyou Mr. Keyul M Dedhia, our Company

Secretary in Practice, Mr. Selvaraj, our Scrutinizer, Auditors from S R Batliboi, our IT Team and all other participants I may have failed to name. Thank you all

**Mr. Cherian N Punnoose, Chairman**

Thank you, Ram.

Dear Members, as all the business items are discussed and transacted, the meeting stands concluded.

Voting time is extended for another 15 minutes, therefore, members who have not cast their vote yet are requested to do so. Further, I hereby authorize Mr. Mithun K Chittilappilly, Managing Director, to declare the result of the voting and place the results on the website of the Company along with the Scrutinizer's report. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

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