

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED
Transcript of 6th Annual General Meeting

DAY : Friday

DATE : July 24, 2020

TIME : 03:00 P.M.

Mr. Hemant Nerurkar, Independent Director & Chairman:

A very good afternoon to all of you.

It is 03:00 P.M. and the time to start the Meeting.

I welcome you all to this 6th Annual General Meeting of your Company.

The requisite quorum being present through video conference, I call the Meeting to order. Since the meeting is conducted through video conference, there may arise technical issues like internet fluctuations during the meeting. To facilitate smooth functioning of the meeting, we are hereby appointing Mr. Shantanu Khosla as the Vice Chairman for the purpose of this Annual General Meeting to conduct the proceedings in case there are connectivity problems during the meeting.

Authorizations have been received for Sixteen crore forty three lac two thousand five hundred seventy nine equity shares of Rs. 2 each, which is 26.19% of the Company's paid-up equity share capital.

Registers, Documents and Records as required by the law are open to electronic inspection by the Members.

Auditor's Certificate in respect to Employees' Stock Option Plan of the Company is open for electronic inspection during the meeting.

Introduction of Directors

I wish to introduce to you, my colleagues who have joined us virtually.

Mr. Shantanu Khosla

Mr. Shantanu Khosla, Managing Director:

Good afternoon everyone. I am Shantanu Khosla. I am the Managing Director and also the Chairman of the CSR Committee of your Company. I am attending this Meeting from Mumbai.

Mr. Hemant Nerurkar, Chairman:

Mr. D. Sundaram

Mr. D. Sundaram, Independent Director:

This is D. Sundaram Independent Director of the Company and Chairman of the Audit Committee. I am attending the Meeting from Mumbai.

Mr. Hemant Nerurkar, Chairman:

Mr. P. M. Murty

Mr. P. M. Murty, Independent Director:

Good afternoon everyone. I am P. M. Murty. I am an Independent Director and also the Chairman of NRC. I am attending this Meeting from Hyderabad.

Mr. Hemant Nerurkar, Chairman:

Ms. Smita Anand

Ms. Smita Anand, Independent Director:

Good afternoon everyone. I am Smita Anand. I am an Independent Director. I am attending this Meeting from Dehradun.

Mr. Hemant Nerurkar, Chairman:

Ms. Shweta Jalan

Ms. Shweta Jalan, Non-Executive Director:

Good afternoon everyone. I am Shweta Jalan. I am a Non-Executive Director. I am attending this Meeting from Mumbai.

Mr. Hemant Nerurkar, Chairman:

Mr. Sahil Dalal

Mr. Sahil Dalal, Non-Executive Director:

Good afternoon everyone. I am Sahil Dalal. I am a Non-Executive Director. I am attending this Meeting from Nasik.

Mr. Hemant Nerurkar, Chairman:

Mr. Promeet Ghosh

Mr. Promeet Ghosh, Non-Executive Director:

Hello and Good afternoon everyone. My name is Promeet Ghosh. I am a Non-Executive Director on the Board of Crompton and I am attending this Meeting from Mumbai.

Mr. Hemant Nerurkar, Chairman:

Ms. Pragya Kaul.
Ms. Pragya Kaul.

Ms. Pragya Kaul, Company Secretary:

Good afternoon everyone. I am Pragya Kaul. I am the Company Secretary. I am attending this Meeting from Mumbai. Thank You.

Mr. Hemant Nerurkar, Chairman:

Thank You.

Further, Mr. Edwin P. Augustine, representing Sharp & Tannan, the Statutory Auditors of the Company and Ms. Ashwini Inamdar, representing Mehta & Mehta, Practicing Company Secretaries, the Secretarial Auditors of the Company are also present at this AGM.

The other Company officials have also joined the Meeting and are present virtually in this AGM.

Notice and the Auditors' Report:

The 6th AGM Notice and the Annual Report for the financial year 2019-20 has already been electronically sent to all of you whose email ids were registered with the Company.

I request the Members to permit me to take the Notice convening this meeting as well as the Auditors' Report as read since there are no qualifications in the said Auditors' Report.

Your Company has provided the facility of Remote e-voting for its Members.

Now Ms. Pragya Kaul, Company Secretary, will inform about the same.

Ms. Pragya Kaul, Company Secretary:

Good afternoon everyone,

In view of the COVID-19 pandemic, social distancing is a norm to be followed and as per the various Circulars issued by MCA and SEBI this AGM is being held through video conference. The facility for joining this meeting through video conference or any other audio-visual means has been made available for the members on a first-come-first-serve basis.

As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to express their views and ask questions once the Chairman opens the floor for questions and answers.

The Company had provided the facility to cast the votes electronically on all resolutions set forth in the Notice.

Members who have not yet cast their votes electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL.

The Member(s) who have exercised their right to vote through Remote e-voting and who are present at this AGM, may participate in this meeting. However, they shall not be allowed to vote again.

The results of the voting will be declared and the same along with the Scrutinizer's Report will be uploaded on the website of the Company and on the website of NSDL within forty-eight hours of the conclusion of this AGM.

Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers provided in the notice.

Thank you.

Chairman's Speech

Mr. Hemant Nerurkar, Chairman:

Thank you Pragya.

Once again on my behalf and on behalf of the Board a very warm welcome to each one of you on the 6th Annual General Meeting of Crompton Greaves Consumer Electricals Limited. It is wonderful to have you all join us virtually here today, and on behalf of your Company's Directors, I thank you for making the time.

Covid Status and recent update -

The country wide lockdown that began in late March is now heading towards partial normalisation in staggered manner. All sectors continue to witness operational disruptions due to ongoing sporadic lockdowns. Your Company, during these tough times, maintained employee first approach, guiding employees to work from home. I am glad to share that most of the employees have been safe from Covid-19 and your Company is extending all support required to employees who have been infected from the virus. We have upto now around 14 cases only out of which 12 have actually got well and gone back home, 2 are still under treatment but I am sure they will recover very fast. Your Company has made all the necessary arrangements to production lines to observe social distancing and comply with the government norms. All our plants have begun operation in late April and most of your Company's vendor partners have begun supplies. The plant utilisation is being ramped-up in synchronisation with market revival. A few of the Company's warehouses & distribution depots which had opened after the easing of lockdown have been forced to remain shut due to fresh lockdown measures by the local administration. We believe these are temporary measures & will see normalcy soon.

Crompton's CSR efforts have been channelized in the recent months to do its bit for the safety of frontline workers. It has been at the forefront to provide PPE kits, Multiparameter monitors, syringe pumps, ICU beds, ventilators to hospitals in vicinity of its operations. It has organised to supply rations to families near Ahmednagar district, slum dwellers in Mumbai and Covid impacted personnel at Baroda.

The Company has started production of plastic body TPW fans in Goa from this fiscal thereby reducing dependence on imports from China. Efforts to look at alternate sources for imports from China & indigenisation of products & components have been aggressively undertaken in view of the current geopolitical situation to mitigate any risk that may arise.

LY Highlights -

Coming to last year highlights, the sluggish global economy coupled with homegrown cyclical challenges had a bearing on the Company's growth in FY 2019-20. The Covid-19 outbreak initially affected the supply chain but the Lock-down in the second fortnight of March severely impacted the business. The business momentum before Covid-19 outbreak was very strong.

Performance in January and February was above expectations with ECD segment growing in high teens and significantly faster than the previous few quarters. Fans business was gaining traction with 20% growth, Pumps delivering healthy growth and Appliances witnessing exponential growth of 60% during January and February 20. Lighting too had reversed the trend and registered 4% of value growth during this period.

Being a socially responsible organisation, your Company has also delivered on its responsibility towards the society. We carried out CSR initiatives to impart skill development for the youths and women from underprivileged background, enhance life skills programme in schools, undertake water conservative initiatives, provide mid-day meals at schools etc. Across initiatives your Company has spent Rs. 10 crores during the year towards its commitment in giving back to the society.

Your Company continues to remain focused on its Five-pillar viz. Strategy which is focussed on Brand, Portfolio, Go-to-market, Operations and Organisation's growth and we are confident of it bearing the fruits in near future. Last year the Company witnessed meaningful progress on each of the front and a brief update is as follows:

- **Brand Excellence**: We have promoted Crompton through multiple channels as a consumer brand of the third million. The Company's aim is to deliver on their aspirations for technology enabled solutions in a value conscious manner. Your Company continues to channel efforts to develop and deliver products that enable our consumers' needs in a perfect lifestyle.
- **Portfolio Excellence**: In the year gone by i.e. FY2019-20, the Company made significant progress in delivering meaningful consumer innovation across business lines, developing futuristic portfolio with unprecedented engineering, strengthening people capabilities. Your Company's human-centric lighting systems offering colour temperature for indoor illumination to mimic sunlight, digital and solar enabled range of pumps, premium fans with superior aesthetics and upgraded technology delivering energy savings demonstrate its commitment in its direction. The new offering during the year across business were well received by the market. Your Company's efforts in completely revamping our Appliances portfolio paid off handsomely and the delivered exponential growth across portfolio and significant market share gains as compared to previous year. The Company's consistent strategy in Geysers helped in jumping 3 places and plays 4th player in this category. Your Company continued to ramp up investments in product quality upgradations and in developing innovative products pipeline. The Company plans to significantly step up investments in next fiscal with R&D spends nearly doubling from current levels.
- **Go-to-market Excellence**: Your Company continued to focus to improve territorial reach has paid off handsomely this year. The Company has appointed new quality channel partners in uncharted territories that has helped to cater new demand and strengthening of its foothold in existing

territories which enabled improved reach amongst wider customer base. Continued investments in gathering data and informed decisions provided in the required push to distribution, sales and productivity enhancements. With improved secondary sales visibility through tally patch and enhanced territorial reach, your Company has managed to strengthen the market share by 85 bps in Fans, 100 bps in LED Bulbs and 40 bps in LED Battens.

- **Operational Excellence:** For operational excellence the Company continued to deliver on cost saving programmes that aided margin expansion in a year which saw currency and economic headwinds, and this enabled to remain relevant with improved competitively cost advantage in dynamic LED Lighting business. The Company's investments in backward integration and in-house capability expansion will enable to further strengthen its grip in fans business and enable indigenization of products portfolio. Your Company made further inroads in its flagship cost optimisation programme – Project Unnati and delivered savings of Rs 144 crores in FY 2019-20. The sustained efforts on cost optimization has yielded improved Gross Margin thereby aiding to invest aggressively in the Company's programs & initiatives in Brand, Go to Market and R&D capability building.
- **Organisational Excellence:** For Organisational Excellence your Company's investments in people development and striving to provide path for achieving their aspirations was vouched by employee survey conducted during the year with 96% response rate. The results of this survey will lay the ground for further improvements in Company's effort to provide a satisfying work environment and employee engagement. Your Company continues to build people capability in Innovation, R&D and Technology.

The three parameters that we use to measure the Company's performance remain the same. These are that we must grow our revenue faster than the market growth, grow our profit at least in line with revenue growth and to convert all profits in cash.

With this in view, let me take you through the results of the last year briefly. The overall revenue for the last year was Rs 4511 Cr against the previous year of Rs 4479 Cr. Revenue growth over previous year remained flat mainly on account of sales loss during the country wide lockdown in the last 10 days of March. EBIT stood flat at Rs 570 Cr against the previous year of Rs 573 Cr. At segment level, ECD segment had a sale of Rs 3389 Cr against Rs 3213 Cr last year, growing at 5.46% over previous year and EBIT of Rs 673 Cr against the previous year of Rs 616 Cr, while Lighting segment sales was at Rs 1122 Cr against the previous year of Rs 1265 Cr and EBIT of Rs 68 Cr against the previous year of Rs 106 Cr.

Q1 Performance and Highlights -

Coming now to the quarter 1 performance, the economic impact of lockdown, stress in job market has had an impact on consumer sentiment in Q1 and is expected to continue to have a bearing in the first half of the fiscal year. Also,

latest IMF report expects India's GDP to contract in FY 2020-21 by 4.5%, the effect of which will be felt across the sectors.

The initial inputs from market highlight increase in customer's willingness to shop through e-commerce channels. Your Company has been working towards this development long before the recent Covid outbreak. Your Company has made significant progress in development of e-commerce channel and continue to work to further strengthen its presence. Your Company's wide portfolio enables it to cater demand across price range and thrive in the eventual market revival.

Your Company took disproportionate efforts in these challenging times to convert market opportunity to sales including incentivising the Company's channel partners to pay faster which has resulted in pent-up demand in May and improved business momentum in June while collections have outpaced sales in May and June. The rebound in Company's activity was witnessed across all business, however activity in western region continues to be substantially below pre-Covid levels due to prolonged lockdowns in the key markets. In ECD, activity was led by TPW fans, Premium Fans, Residential & Agro Pumps, Air Coolers and Mixer and grinders while LED portfolio witnessed rebound in activity. Your Company's liquidity and cash war chest remains one of the best in industry to tackle any uncertainties and support the long-term growth of the business.

The market situation remains uncertain as different parts of the country are coming under lockdown. We expect Covid related disruptions to continue in near term.

Moving on to the results for the first quarter of current year, revenue stood at Rs 713 Cr against last year Rs 1346 Cr. Despite low level of activity, your Company's cost saving measures have helped to deliver PAT of Rs 74 Cr against the previous year of Rs 123 Cr. PAT Margin for the quarter is 10.3% vs 9.1% last year, this shows the focus on cost reduction and margin protection. Getting deeper into reportable segments, ECD revenue was Rs 597 Cr against Rs 1073 Cr last year and EBIT of Rs 123 Cr against the previous year of Rs 217 Cr, while Lighting revenue stood at Rs 117 Cr against Rs 274 last year, posted EBIT of Rs 5 Cr against the previous year of Rs 14 Cr.

I look forward to your continued support in steering the Company in its next growth phase.

Resolutions proposed to be passed in the AGM

We will now take up the resolutions proposed to be passed in this AGM. After tabling of the resolution(s) the registered speakers can express their views and ask questions.

The resolutions proposed to be passed in this AGM are –

ORDINARY BUSINESS

Item No. 1: Adoption of financial statements

The Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon have already been provided to the Members.

Item No. 2: Appointment of Mr. Promeet Ghosh as a Director liable to retire by rotation

Mr. Promeet Ghosh, Non-Executive, Non-Independent Director retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS includes –

Item No.3: Re-appointment of Mr. Shantanu Khosla as the Managing Director

The current tenure of Mr. Khosla as Managing Director ends on 31st December, 2020 and the Board of Directors at their meeting held on 15th May, 2020 had approved & recommended his re-appointment for a second term of 5 years.

Item No.4: Re-appointment of Mr. P. M. Murty as an Independent Director

The Board of Directors at their meeting held on 15th May, 2020 had approved & recommended his re-appointment for a second term upto 25th July, 2025.

Item No.5: Re-appointment of Mr. D. Sundaram as an Independent Director

The Board of Directors at their meeting held on 15th May, 2020 had approved & recommended his re-appointment for a second term as Independent Director for the period of 5 years.

The next resolution being the resolution for my re-appointment, with the permission of all the members, I request Mr. Shantanu Khosla to take the Chair for conducting the proceedings of the meeting for this particular agenda item.

Mr. Shantanu Khosla, Managing Director:

Thank you Mr. Chairman.

The next Item No. 6 is: Re-appointment of Mr. Nerurkar as an Independent Director

The Board of Directors at their meeting held on 15th May, 2020 had approved & recommended his re-appointment for a second term upto 20th October, 2023.

I now request Mr. Nerurkar to once again occupy the Chair and continue to conduct the Annual General Meeting.

Mr. H.M Nerurkar, Chairman:

Thank you Mr. Khosla. I now continue with the next agenda item.

Item No.7: Ratification of remuneration payable to Ashwin Solanki and Associates, Cost Auditors of the Company.

It is proposed to ratify payment of remuneration to M/s. Ashwin Solanki and Associates, Cost Auditors of the Company to audit the cost records for the financial year(s) ended 31st March, 2021.

Question & Answer

Mr. H.M Nerurkar, Chairman:

Now I invite the Members to seek clarifications, if any, and offer their comments.

Members are please requested to stick only to the business of the Meeting and not repeat what has been spoken by other Members. Further please restrict yourself to speak for only 3 minutes.

I request Ms. Pragya Kaul, Company Secretary, to announce the names of the members.

Ms. Pragya Kaul, Company Secretary:

Good Afternoon again.

Please note some points for your convenience before we begin with speakers. Speakers to please turn on their video and unmute themselves.

Please mention your name, Folio Number, and the location from where you are joining and proceed to ask the question.

If you are joining through broadband please ensure that no other devices are connected to ensure clarity. If you are not able to connect due to certain reason, we will allow the person next to you to speak. However, we will again come back to you. You may please try again.

To avoid repetition, the Board will respond to all the questions at the end.

Now we request the first speaker Mr. Gautam Tiwari to unmute himself and kindly proceed with the question.

Mr. Gautam Tiwari? The host to shift Mr. Gautam Tiwari to the panelist category.

Mr. Gautam Tiwari:

You can listen me no ma'am? Thank You.

A very very good afternoon to all my esteemed Directors, Crompton and Greaves Electricals & Power Team and fellow shareholders. Sir even during COVID pandemic Company is functioning very well. Company has declared quarter one results on time. Company has worked very well on annual report and Company has declared annual results on time, therefore Annual Report could be published very well on time and the AGM could be conducted very well in a timely fashion. Sir I have got certain queries. Sir please give us more details about Odisha projects. Sir please give us more updates about Odisha projects. Sir I would like to know, I have received so many calls from the shareholders who are not able to attend today or speak here today that why the Company has not paid us the interim dividend despite good profits? Sir at least because shareholders are there only once to get the reward from the Company. Sir even now you have got total conference and Board of Directors, Chairman sir, abhi bhi aap iss ke liye discuss karke even you can announce it now so that all the shareholders, investors and stakeholders will be very much pleased. Sir my special thanks to our MD, our CEO, our CFO, our Company Secretary and full Secretarial Team and even accounts team and entire management of the Company for their outstanding and excellent performance despite dreaded Coronavirus epidemic environment. Sir the Company has really worked very well in identifying the areas and projects for CSR operations which are very much beneficial to the people at large. Sir Company's investment in R&D and in launching new products is very impressive. Sir I would like to know how much do we spend on R&D? and so far, how much have we spent on R&D? Sir are there any new products launch made for this year? Sir I have certain important questions, during this year Company has given additional information about ESG and got detailed ideas and Company's focus on areas of ESG initiatives please enlighten. Sir we would like to know if the Company is planning any lay-offs of our employees? Sir what is the cost of holding this virtual AGM? Sir whether there are any new digital initiatives

taken by the Company in light of the pandemic and lockdown? Sir How much amount was contributed to the PM CARES Fund for Covid pandemic and is it a part of our CSR spending? Sir we would like to know the capacity utilization of individual units and the collective units on an average. Sir what are the future plans of the Company considering Pandemic situation worldwide and how much decline the Company has seen in its business during the pandemic? Sir as usual I am very much happy with Company's performance, but Sir please dividend is something which is very much crucial to all the shareholders and investors. And ss usual I propose all the resolution and I always wish the management and all of our employees, staff, executives and shareholders and all the stakeholders a very bright and shining days and I am very sure we will all come out collectively fighting from this Corona virus. Sir as such we don't miss any meeting of yours and we are always there with you and we were with you when Crompton Greaves was not demerged, now the Consumer electric division has demerged and it is doing very well for which we are thankful to you, but sir please make sure that you come out with dividend and get the answers of these questions and as such I once again wish a very bright and shining future ahead and all the Board and management very happy, healthy and wealthy days in the days to come. Thank you very much, very much appreciated.

Thank you.

Ms. Pragya Kaul, Company Secretary:

Thank you, Mr. Gautam Tiwari.

Now we request the next speaker Mr. Dinesh Kotecha to please ask questions.

Mr. Kotecha you are requested to unmute yourself and kindly proceed with the question.

Yes, Mr. Kotecha?

Mr. Kotecha please unmute yourself, you are on mute.

Mr. Kotecha? Mr. Kotecha you're on mute please unmute yourself.

Mr. Kotecha are you there? Are you able to unmute yourself?

Maybe we'll connect with him again.

Now we move to the next speaker Ms. Smita Shah.

Mrs. Smita Shah:

Hello

Ms. Pragya Kaul, Company Secretary:

Yes Ms. Smita Shah we can hear you.

Ms. Smita Shah you are on mute

Mrs. Smita Shah:

Madam awaz aa rahi hai meri?

Ms. Pragya Kaul, Company Secretary:

Bilkul aa rahi hai madam.

Mrs. Smita Shah:

Okay Thank you.

Mananiya Shri. Nerurkar ji, MD Shri. Khosla ji aur anya Manyavar Directors, Sir mera naam Smita Shah. Sir pehle toh apko mera atmaniya vandan aur hardik abhinandan. Sir aaj apne pichle paanch saal mein chouguni tarakee ke saath, Company ko excellent performance ke saath aage badhayi hai aur saath mein aapne ek se badhkar ek aapne aise kaafi awards bhi prapt kiye hai, toh bahot bahot aapko badhayi ho. Ye sabhi aapki leadership mein sabhi Board of Directors, employees, workers, sabhi ka saath aur mehnat, hardwork ke saath ye good result jo mila hai. Sir aapki himmat ko main badhava dete hue bas hum bhi asha karte hai aisi hi Company ka result har saal, saalon saal aage hi chouguna aata rahe. Aur sir Balance sheet mein aapki photo bohut hi confidential lag rahi hai so aap bhi aur aage badhkar bohut hi kuch achacha excellent karna chahte ho sir wo aapke photo se nazar aa rahi hai. Sir jara thodi muskurahat aur bhi jyada banni honi chahiye sir, Nerurkar ji mein aapko khaas keh rahi hu bas next year aap chouguni tarakee ke saath aur bhi badhiya muskurahat wali photo next year balance sheet mein jarur aaye. Or Sir main Ishwar se mere dil se prarthana karti hu ki bas aap Company ko din bhar din chouguni tarakee ke saath aage badhaye aur Company achi safalta se aage badhe aisi main hardik main dil se subhkamana deti hu. Aur sir dividend k liye ke bhi mere previous speaker ne bola hai woh jarur dhyan mein rakhna, baki toh sir hum hamesha aapko support karte aaye hai so aaj bhi main mera full support main karti hu. Aur last one sir aaj humare aur aap ke beech ye first time yeh virtual AGM hone jaa rahi hai bohut hi achi service ke saath apke yaha se mehnat ki hai toh uske liye main pure Secretarial Department, IT Department, Account Department, sabhi ko main bohut hi unko dhanyawaad deti hu. Sir Secretarial Department satat sabhi shareholders ke saath satat contact mein rahe hai. Aur balance sheet mein bhi bohut badhiya information ke saath colourful products ke saath photo ke saath bohut hi awards aur kaafi kuch photos ke saath sabhi riti se attractive balance sheet banayi hai. So sabhi baton ko dhyan mein rakhte hue main humare hardworker, charming, humari good Company Secretary, Ms. Pragya madam ko main bohut bohut

dhanyawaad deti hu aur unko abhinandan bhi deti hu unke hardwork ke liye aur unki puri hardworker team Darpita aur Rutuja unn sabhi ke bhi hardwork ke liye main dhanyawaad aur abhinandan dena chahti hu aur unn sabhi ko main subhkaamna karti hu. Aur sir last mein sir main kahungi hardik shubhkaamna dete hue sir next year hum jarur face to face hum milenge bas aisa hope karke main kahungi ghar par rahiye surakshit rahiye.

Aur Sir mere saath Bharat Shah unkey yaha par unke mobile se join nahi ho paa rahe hai, kuch network issue ke wajah se so wo abhi aap se baat karte hai. Sir toh please chalu rakhiye. Thank you, sir.

(Respected Mr. Nerurkar, MD, Mr. Khosla and other respected Directors, my name is Smita Shah. Firstly, I would like to salute you and congratulate you for steering the Company with excellent performance since last 5 years with excellent growth and for achievement of many awards. This good result was possible because of your leadership and hard work of Board of Directors, employees and workers. I hope and pray to God that Company's results grow every year for years to come. Sir please keep in mind about dividend as spoken by my previous speaker. We have always supported you and today also I give you my full support. I thank everyone from the Secretarial Department, IT Department, Account Department, for providing very good service for this first virtual AGM. Balance Sheet has been made attractive with very good information, colorful photos, products and awards. Lastly along with my good wish I hope next year we meet face to face. Stay Home, Stay Safe.

I have Mr. Bharat Shah with me who could not join through his mobile due to some technical issue, he will speak now, please do not disconnect. Thank you, Sir.)

Ms. Pragya Kaul, Company Secretary:

The host to shift Mr. Bharat Shah.

Mr. Bharat Shah:

Ma'am

Ms. Pragya Kaul, Company Secretary:

Thik hai boliye.

Mr. Bharat Shah:

Awaz aa rahi hai na meri madam?

Ms. Pragya Kaul, Company Secretary:

Ha Ha aa rahi hai aa rahi hai bilkul boliye.

Mr. Bharat Shah:

Mananiya Chairman ji, main camera chalu karta hu ha. Mera folio no. bol deta hu, DP Id:301098 or Client Id hai mera:10762665. Do folio mein bhi same hai but woh nahi batata hu, time lagega. Mananiya Chairman Shri. Nerurkar ji, MD Sir Shantanu ji aur anya Manyavar Directors, Sir mera naam Bharat Shah. Meri koi query nahi hai, Networth badha hai, profit after tax wo bhi badha hai, basic EPS badha hai, sab baton ka vyavasthit badhoti hai. Mushkil samay main bhi jo Company ko aage badhaya hai uske liye Board of Directors, sabhi chote-bade employees ka bohot bohot bohot dhanyawaad deta hu sir. Aur Company bohot bohot aage badhaiye meri prarthana hai sir. Sir saare awards ke liye bohot bohot dhanyawaad deta hu. Apni hardworking Company Secretary Pragya ji aur team ki Darpita madam, Rutuja madam aur puri Secretarial team ko bohot bohot dhanyawaad deta hu. Ye Pehli baar video conference hai, shareholders ko Secretarial Department ne bohot bohot vyavasthit guide kiya hai sir, hardworking se guide kiya hai, shareholders ko respect diya hai, bohot bohot dhanyawaad manta hu unn logo ka. Sir Thank you, Jai Hind, Thank you, Jai Hind.

(Respected Chairman Mr. Nerurkar, MD, Mr. Shantanu and other respected Directors, my name is Bharat Shah. I do not have any queries. There is increase in Networth, Profit After Tax, Basic EPS and all other factors. I thank the Board of Directors and all junior-senior employees for steering the Company even during tough times. I pray for continuous growth of the Company. I thank you for all the awards. Thank You, Jai Hind.)

Ms. Pragya Kaul, Company Secretary:

Thank you, Bharat ji.

Now we request the next speaker Mrs. Asha Lata Maheshwari to kindly unmute yourself and speak.

Mrs. Asha Lata Maheshwari:

Hello, Meri awaz aa rahi hai?

Ms. Pragya Kaul, Company Secretary:

Bilkul aa rahi hai madam.

Mrs. Asha Lata Maheshwari:

Haan ji. Shrimaan Chairman sahab anya meri sabhi Director bhai, mera naam Asha Lata Maheshwari. Chairman sahib, sach puche toh meri favourite Company hai yeh aur aaj iski meeting attend karne ka mujhe saubhagya prapt hua. Balance sheet bhi dekhi aur jis tarah se aapne apni team ke saath itni difficult va challenging business environment mein vishesh kar Covid ke mahamari ke samay growth accelerate ki aur shareholder value enhance karne mein lage hai. Toh sabse pehle mein shubkaamnaye dete hue kahungi chup ke se chaand ke chaandani choo jaye aapko, dheere se mehekati hawaayein choo jaye appko, dil se jo chahte ho maang lo khuda se, hum dua karte hai who sab mil jaye aapko. Fantastic, mind-blowing history ki balance sheet iske liye main apne sweet and charming Secretary Pragya ji aur unki team ko dhanyawaad deti hu. Balance sheet itni informative banayi itni badhiya banayi hai jaise Shri. Valmiki ji ne puri Ramayan likh di hai, itni badhiya balance sheet hai. Results dekhe excellent, itni competitive scenario ko dekhte hue revenue, PBT, EBITDA sabhi up rahe bas dividend declare nahi kar paye to conserve their resources for future expansion program. Toh Chairman sahib koi baat nahi hai bas current year mein aap hum sab ko compensate kar dijiye. Waise bataiye aap kya growth expect kar rahe hai revenue aur profitability mein current year mein. Paanch dimensional strategy growth banayi hai yeh dekh kar mujhe khushi hui. Our Go-to-Market strategy enabled us to add quality channel partners and also improved our distribution reach in existing geographies, yahi nahi Brand excellence se leading position maintain ki, or fir bhi main dekh rahi hu Chairman sahib yaha bhi dekha aur maine balance sheet mein bhi dekha lekin aap toh bohot serious hai, thoda bhi muskura nahi rahe hai, yeh mera observation hai, toh kya baat hai, shaayad aap yeh soch rahe hai ke shareholders ko dividend nahi diya isiliye aap udaas hai. Main toh yahi kahungi, aisi kya dua de hum aapko jo aapke laabhon par hasi ke phool khila de, bas yahi dua hai humari khuda se ke sitaaron se bhi roshan aapki takdeer bana de. Aur Chairman sir bataiye any Capex programme for organic va inorganic growth ke liye? Aur jis tarah aapne Portfolio excellence ki through innovation and digital solutions woh dekhte hi banta hai. Aur sabse vishesh rahi ki humara focus rahe ki hum everywhere maujood rahe, chahe woh unchartered territories ho ya existing one woh apna rang laye aur isiliye various awards and accolades ke liye bhi aapko bohot mubarakein deti hu. Aur iska credit main dungi humare pratibhashali aur Honhaar MD Shri. Khosla ji ko. Aur unke liye kahungi, nigahon mein aur koi dosti ke kaabil na raham iss kinare ka aur koi saahil na raha, chaand jaise MD mile humein sar-jameen par, ab toh aasmaan ka chaand bhi deedar ke kaabil na raha. Khosla ji aayein hai toh jara apna face wo mujhe dikha de, main waise unko jaanti hu, P&G ke meeting se jaanti hu main unko aur sach puche Khosla ji jab se aapne P&G ko choda tab se maine to P&G ki meeting mein hi jaane band kiya. Toh aaj mujhe saubhagya prapt hua aapko dekhne ka. Iss saal foreign exchange 76.27 crores ka hua toh bataiye current year mein kya growth prospects hai jab ki pura sansaar Covid ke kaaran pareshan hai aur takleefon mein hai. Aur which is more profitable domestic or overseas. Bohot jaldi bohot achi CSR activities bhi aap kar rahe hai aur sab ke duaein le rahe hai, yaha tak ki 1 crore Covid ki mahamari mein bhi aapne diya, yeh sab baghwan dekh raha hai. Mai Sabhi employees, executive ko salaam karti hu jo apni jaan hatheli par rakh kar Company ki pragati mein pura yogdaan de rahe hai, vishesh kar humari Secretary Pragya ji jo bohot madhubhashi hai, aisi Secretary bohot kam milti hai Companiyo ko, bohot purane se main unhe jaanti hu. Aur meri shubhkamnayein aap sab ke saath rahi hai aur main dua karti hu ke aap sab

apne parivaaron ke saath sukhi rahe, yahi meri tamanna hai. Aur last mein main kahungi, phool aapke kadmon ki jannat banenge har kali aapke daaman mein hogi, khuda ne agar chaha toh Chairman sahab agli mulakaat dividend ke saath hogi. Aur strongly support dete hue main dhanyawaad deti hu.

(Respected Chairman and other respected Directors, my name is Asha Lata Maheshwari. This Company is my favourite and today I had the fortune of attending its meeting. I have also seen the Balance Sheet and appreciate the way you and your team are accelerating growth and enhancing shareholder value even during this difficult and challenging business environment especially at the time of Covid pandemic. Balance Sheet is very beautiful and informative. Even in the competitive scenario results are excellent, revenue, PBT, EBITDA are all up, but couldn't declare dividend to conserve resources for future expansion program. That is alright but do compensate us in the current year. What is the growth expected in revenue and profitability in the current year? Is there any Capex programme for organic or inorganic growth? Especially our focus of being present everywhere, may be uncharted territories or existing ones has resulted in various awards and accolades, I congratulate you for the same. Credit for this goes to our inspiring MD Mr. Khosla. This year foreign exchange was 76.27 crores so what is the growth prospects for current year when the entire world is facing difficulties because of Covid. What is more profitable domestic or overseas? You are receiving blessings from everyone through very good CSR activities and contribution towards Covid pandemic. I salute all the employees and executives who are contributing towards Company's progress. My best wishes are with all of you and hope everyone and their families are happy. I thank you with my strong support.)

Ms. Pragya Kaul, Company Secretary:

Thank you, Asha Lata ji.

Now we move on to next speaker, Mr. Mukesh Chandiramani.

Is Mr. Mukesh Chandiramani there?

Hello, Mr. Mukesh Chandiramani you are requested to please unmute yourself.

I think Mr. Mukesh Chandiramani is not there with us presently, we will go back to him later on.

Now we move on to our next speaker, Aspi Bhesania.

Yes, please unmute yourself.

Mr. Aspi Bhesania:

Can you hear me?

Ms. Pragya Kaul, Company Secretary:

Yes, yes, we can hear you.

Mr. Aspi Bhesania:

Chairman Sir, Directors and shareholders, Sir PAT has increased by 24% in spite of difficult and challenging times, which is very good. Standalone EPS is 7.83 and Consolidated is 7.85, neither subsidiaries are contributing, nor parent is giving good performance. Why do we require a Goodwill of 779 crores? Why impairment is not being done to the Goodwill? The products have been displayed very well, you don't have make hair-dryers, you should also start making hair-dryers. How much percent of our sales comes from rural areas? Demand in rural areas is increasing at the cost of urban areas. How much percent of our sales comes from e-commerce? Sir I appreciate Board's decision not to give dividend, rather than paying tax on dividend I prefer that the amount is ploughed back, and we get appreciation in share price. Were debentures of Rs.170 crores redeemed on 24th June, 2020? Do you intend to issue debentures of Rs.300 crores? I would recommend that the Company to issue rights of Rs.300 crores at Rs.180 instead of Market price of Rs.243 per share.

Sir why MacRitchie Investments not considered as a promoter in the Annual Report as on 31st March, 2020 but in Q1 shareholding shown as promoter, what's the reason for that?

Sir How much percent of our sale came from China, means purchases from China sold anywhere else?

Thank You.

Thank You.

Ms. Pragya Kaul, Company Secretary:

Thank you Mr. Aspi Bhesania.

Now we move on to the next speaker, Ms. Vasudha Vikas Dakwe.

Yes Ms. Vasudha, please unmute yourself.

Ms. Vasudha, please unmute yourself.

Ms. Vasudha, please unmute yourself.

Ms. Vasudha Dakwe:

Hello?

Ms. Pragya Kaul, Company Secretary:

Yeah, we can hear you.

Ms. Vasudha Dakwe:

Okay.

Hello?

Ms. Pragya Kaul, Company Secretary:

Yes, yes.

Ms. Vasudha Dakwe:

Ya Good afternoon Ma'am. I will not repeat the questions again and again those already my previous speakers asked. I want to ask only 2 questions. What is the next 2-3 years roadmap? Secondly is there any surplus lay-off policy if applicable for Covid-19 situation to our current employees? That's all

Thank You.

Ms. Pragya Kaul, Company Secretary:

Thank you, Ms. Vasudha.

Now we move on to our next speaker, Ms. Lekha Shah.

Ms. Lekha Shah, please unmute yourself.

You are on mute Ms. Lekha Shah.

Ms. Lekha, please unmute yourself.

Yes.

Ms. Lekha Shah:

Respected Chairman Sir, Board of Directors and my fellow members, good afternoon to all of you, myself Lekha Shah. I am very thankful to our Company Secretary Ms. Pragya ji and his team especially Rutuja ji, Darpita ji for explaining very good investor services and also sending me the Annual Report well in time which is full of knowledge and factors and figures in place Due to

pandemic Covid-19 we all are facing crisis and stay home. Our Company has done excellent work in CSR activities which addresses some major concerns in society today like employment, environment, empowerment & engagement. I would like to congratulate our Company on winning various awards this year like gold award at the Energy and Environment Foundation Global Safety Awards 2020, HS Plus ceiling fan won the NECA 2019 Award for the sixth consecutive year in the category of Most Energy Efficient Appliance of the Year by the Ministry of Power. Sir I am confident Sir, with your vision and determination you will lead our Company to greater heights and also, I pray to God our Company should progress more and more and you and your team Sir. Sir I have few questions to ask. What is the roadmap for the next 2 years? Kindly explain What steps are you taking for over the round growth of our Company? Sir I wish all the success and I support all the resolutions. Thank you, Sir.

Ms. Pragya Kaul, Company Secretary:

Thank you, Mrs. Vasudha.

Now we move on to our next speaker, Mr. Vinay Bhide.

Mr. Vinay Bhide please unmute yourself.

Mr. Bhide please unmute yourself.

Yeah.

Mr. Vinay Bhide:

Hello?

Ms. Pragya Kaul, Company Secretary:

Yes, you can start now.

Mr. Vinay Bhide:

I think you will be able to see and hear me.

Ms. Pragya Kaul, Company Secretary:

Yes, yes.

Mr. Vinay Bhide:

Other participating entities, shareholders, Company staff, good afternoon all of you. At the outset, thanks for considering my request as a participating speaker, providing required information and support to prepare for this meeting. Also, congratulations to the entire Crompton team for progressively improving operations and profits. Congratulations also for the Company level awards as shown on pages 14 & 15 of this year's Annual Report. I now turn to my questions and they are you could say a single point agenda and that is on Dividends. We had you know a few other speakers speak on dividend and that is my opinion should be the key agenda item for the speakers to speak at least for our AGM. So, let's start, please refer to page 31 covering this year's Annual Report. The Board has interrupted the Crompton's track record of years of dividend, not just years of dividends, but decades, not to pay any dividend this year. This decision for the concluded financial year was not in line with any of the parameters stated in the Dividend Distribution Policy. This decision of the Board which does not tick any of the checkboxes is not fair to all shareholders, minority, institutional and promoters too. I have checked-up before the start of the meeting and I understand that you Mr. Promeet Ghosh, Mr. Sahil Dalal and Ms. Shweta Jalan these are all 3 Directors who represent our promoters. So my simple point is that why dividend has not been paid this year? Just check-out on the Dividend Distribution Policy and I will list down some of the things for you. Check-on the Dividend Distribution Policy and see the parameters. If you see parameter 3, there about 7 parameters, financial parameters/internal factors and external factors there are 2. Most of these 7 factors are covered and pandemic has you know. Lockdown has started 23rd or 24th of March and effect of that could be seen few weeks before that, what prevented the Board from giving return to the shareholders? I am surprised that the Promoter shareholders have also you know supported the payment of dividend or rather supported the non-payment of dividend. And you know what is the sad part this year, check-out all the holdings of promoters and the major Indian shareholders and you see what I am trying to say, the major Indian Institutional Shareholders completely sold-out from the Company. Well come onto another point, if you see the dividend payout policy and the factors, regarding external factors they have mentioned about dividend payout ratios of the companies of the same industry, you check the statistics for the companies like you know Orient electrics and Havells and all that, they have declared the dividends even after Covid pandemic. The logic of the Board to not declare dividend does not hold water. Look at the dividend payout distribution tax. The Dividend Distribution Policy was last updated in October 16, I hope the Chairman, the Directors and the Independent Directors including the Promoter directors are listening, the Dividend Distribution Policy was last announced in October 2016 and if see the policy, it covers not only dividend, but also covers interim dividends. So why don't you, you know I saw the quarterly performance few hours back also, even that does not justify non-payment of dividend for the last financial year, that is all, atleast you start giving dividends, you convene a Board Meeting, you have got all the Directors present now, take a decision and pass a resolution today itself for interim dividend. And I come to one more point, why I say dividend pay is not justified, let us resolve to pay the dividend and atleast you know maintain the dividend for last financial year. Also, Directors are present by majority and we can declare intention to pay dividend today itself. And just consider the situation and I don't want to elaborate in detail, mutual funds who believe that the companies should pay dividend consistently for 3 years and we have got a

whole lot of list, suppose if their policies are not revised, they will exit the Company, unless the policies of the mutual funds are revised. Go to Annexure 7 sir, Annexure 7 deals with the ratio of the remuneration and appointment of managerial personnel, look at the details of remuneration, see I don't have anything against one, people should be paid according to their experience, their qualification, their performance, all said and done, but look at the criteria, you have not paid dividends and look at the hikes you have given to the officers that are listed in Annexure 7b. We have given an average of 6% for the employees and I am fine with that. Mr. Sundaram, please start understand my point, you have given hikes ranging from 6% plus to as high as crossing 15% also. So, you could give a fine reason saying that you know all this were reviewed in early last year 2019-20, fine then what is the policy for this year? You are not paying dividends for the last year, this year there should not be hike in the managerial remuneration. You know what the trend in the industry is, people are not taking any hikes and surrendering pay. I am sorry this is not my habit you know to speak in this fashion, but you know I have to make this point and promoter directors and representatives please make a note of these points. I have made my points very vocal and clear and because I am terribly disappointed in this point I am not going to vote at this particular AGM and also if I have any further questions, I will send them separately by mail as a protest.

Thank you for giving me this opportunity to speak and sorry for being harsh on all this course.

Ms. Pragya Kaul, Company Secretary:

Thank you, Mr. Bhide.

Now we move on to our next speaker, Mr. Bharat Negandhi.

Mr. Bharat Negandhi.

Mr. Bharat Negandhi.

Okay, I think he is not here presently.

Now we go to our next speaker Ms. Hodayun Pouredahi.

Ms. Hodayun Pouredahi.

Mrs. Hodayun, we can see you just unmute yourself.

Mrs. Hodayun Pouredahi:

Can you hear me?

Ms. Pragya Kaul, Company Secretary:

Yes, I can hear you.

Mrs. Homayun Pouredahi:

Ya good good. Just a few questions. Sir what are the problems faced by our Company on the sale of its products that this year we could not give dividend? Sir who are our competitors? Sir do we have any Research and Development Department or some such department which will make our products up-to-date? Just wanted to know. Sir do we have any connection in China? like do we have any factory in China? or like sales in China? Or imports from China? just wanted to know. How has the lockdown affected our profits? It was definitely closed, our markets were closed, definitely there were no sales during that time. Has it affected our profits? Sir I am missing physical AGM, definitely we all used to come for your AGM and meet everybody. Sir now coming to the dividend, Sir what is the Dividend Policy? Another thing is you know in some companies the promoters don't take dividend, but they pay dividend to the minority shareholders, so that we who are dependent on dividend don't suffer in any way. Please consider, even if the Promoters don't take the dividend, they distribute the dividend among the minority shareholders so that we are not put into any disadvantage of any sort. We wish our Company all the best, of course we are looking forward to very good days ahead and all the best.

Now I am handing over the mike to the next speaker, Beruz Faramosh Pouredahi, please.

Mr. Beruz Pouredahi:

Respected Chairman and other distinguished Directors my name is Beruz Faramosh Pouredahi. Sir we are very much happy regarding our Secretarial team, especially Madam Pragya Kaul, who knows us since long years, she was in Bajaj and before that she was in Andheri, forgot the Company's name also, but she is a very dedicated and very selfless worker. So, I really appreciate that she has taken the Company to such a fantastic level. Sir we are also very happy that you were there in, that Mr. Khosla was there in Procter & Gamble and Procter & Gamble was also a very good Company during your time, during your period. And now Crompton Consumer is also a very good Company, but I think due to the pandemic we are not able to receive the dividend, so no problem, we have managed somehow, but at least declare the interim dividend. Sir you have raised the money through debentures and if you require any further from the shareholders, we are always willing to support you to raise any sort of what you call through QIP or debentures or through equity issue because it is in trying time many of the companies have raised money like Axis Bank, Kotak Bank, even Mahindra & Mahindra Finance are coming out with right issue, PVR theatres is coming out with right issue, even Yes bank came out with right issue. Sir many of the companies are coming out with right issue and you should also come out with right issue and benefit the shareholders. Sir we wish the Company all the best. Sir we hope to know that how many

plants are presently working and how many employees are what you call the attending the plant, factory. Because you are having one plant at Goa and the other plant is in Baroda, I think so. And I hope that the Crompton name, actually are we giving any royalty to Crompton Greaves? Because we like to know because that synonym Crompton is actually for 3 or 5 years, so I think you will have to find some other name so that the Company's products are more what you call saleable in the market. Sir we wish the Company all the best and we hope to see better days ahead and please declare interim dividend soon so all the shareholders will be happy. We are very happy with Pragya Kaul, so there is no need to worry. Sir thank you very much and remain safe, remain healthy. All the best, bye.

Ms. Pragya Kaul, Company Secretary:

Thank you, Mr. & Mrs. Pouredahi.

Now I would request our next speaker, Mr. Narendra Jhaveri to please unmute himself and speak.

Mr. Narendra Jhaveri.

I think he is not there.

So, we move on to our next speaker Mrs. Shobhana Mehta.

Mrs. Shobhana Mehta.

Yaa, she is there.

Mrs. Shobhana Mehta:

Hello, you can hear me no?

Ms. Pragya Kaul, Company Secretary:

Yes, yes, I can hear you, please.

Mrs. Shobhana Mehta:

Respected Chairman Shri Hemant ji, MD Shri Shantanu ji anya mere Director bhaiyon aur beheno, mera naam Shobhana Mehta from Surat. Good Afternoon everyone. Hemant ji, Covid-19 ke wajah se aaj hum yeh AGM video conference ke through kar rahe hai so kahungi jo baat tujh mein hai tere tasveer mein nahi. Sir as usual humare Secretarial Department ne balance sheet informative banayi hai, so mai humari smart Company Secretary Pragya ji aur unke pure team ko dhanyawaad dete hue kahungi ke very well done, very good, keep it up. Balance sheet apne bohot hi badhiya banayi hai. Sir satisfactory performance ke liye main aapko aur aapke entire team ko bhi

dhanyawaad dete hue kahungi uska pura shrey main humare MD Shantanu ji aur unke pure team ko deti hu. Lekin Shantanu ji kya baat hai aapne dividend kyun nahi declare kiya iss saal? So please jara dhyaan rakhiye mere aage kai speakers ne bola hai ke interim dividend dijiye, so ho sake toh. First quarterly result toh aapne itna acha nahi bataya hai, so abhi toh main nahi maang rahi hu, so pure saal ka agar turnover acha hota hai kyunki Covid to chalega lamba aage but still, agar Bhagwaan ne chaha sab acha ho jaye toh please atleast ek interim dividend jarur declare kardijiye. Sir humari Company ko jo various awards mila hai iske liye bhi main aap logo bohut bohut hardik badhayi deti hu aur sir jo queries aa gayi hai jaise ki Capex, Company future plan, etc. so woh repeat na karte hue main puchana chaungi ke Covid ke saath, China ke saath jo problem chal rahi hai aise mein bataiye humare ke business par kya impact hoga. Sir ek aur suggestion dena chahungi ke humari Company consumer products banati hai toh kyun na aap bhi Bajaj Electrics ke tarah discount coupon dijiye kyunki Bajaj Electrics ke discount coupon aate hai, jo cheezein humein chahiye woh hum purchase karte hai usse hum usse, aap jo theek samjhe 10% 15% aapne dividend toh declare kiya nahi hai aur second thing aap dealer ko toh kaafi discount dete ho, abhi toh apne paise mein kam ho rahe hai, toh aap dealer ko jab de rahe ho discount toh direct shareholder ko kyun nahi, toh agar aap theek samjhe toh. Iss saal toh balance sheet bhi print nahi karayi hai, AGM ka bhi expenses bacha hai, toh janna chahungi ke ye meeting ke wajah se jo expenses bach gaye hai who kitne save kiye Company ne? Who aap please batana ki kripa kare Pragya ji, aur dekhiye main toh Crompton ki kaafi saal se shareholder hu aur main Crompton ke hi saare products use karti hu jaise main abhi Surat shift hue toh mere ghare pe 5 fans Crompton ke hi lagaye hai, sandwich maker bhi mere ghar mein Crompton ka hi hai toh main bhi yeh use kar sakti hu agar aap discount coupon bhejenge toh sab shareholder ko benefit milega. Toh iss par aap jara gaur kare. Aur sir lastly jaate jaate kahungi sabhi resolutions ko fully support karte hue Company ko shubhkaamnaye deti hu, humari Company din doguni aur raat chouguni tarakee karti rahein taaki aap humein year by year better performance ke saath better dividend aur near future mein bonus bhi de paaye. Sir abhi 3rd August ko Rakshabandhan ka Pavitra Tyovhar aa raha hai so iss behen ki or se aanewale rakshabandhan k sath baki sabhi tyohaaro ke shubhkaamnaye dete hue kahungi phoolon ki khushbu, kaliyon ki bahar, chand ki chandani, apnon ka pyaar, Mubarak ho sab ko aane wale sabhi tyohaar, issi ke saath mein dhanyawaad.

(Respected Chairman Mr. Nerurkar, MD, Mr. Shantanu and other respected Directors, my name is Shobhana Mehta. Good Afternoon everyone. As usual our Secretarial Department has made Balance Sheet informative. I thank you and your team for the satisfactory performance and give the credit to our MD Mr. Shantanu and his entire team. Why hasn't dividend not been declared this year? Please keep in mind and if possible, declare interim dividend. First quarterly result wasn't good, so I am not asking now, but if the turnover is good then please declare one interim dividend. I congratulate you for the various awards received by our Company. What is the expected impact on our business due to Covid and problems with China? I would like to give one suggestion, please give discount coupons to us. You have not declared dividend and you give good discount to the dealers then why not to shareholders? So, if you consider feasible please give 10-15% discount coupons. I would like to know how much the Company has saved this year as Balance Sheet was not printed and AGM expenses were also saved. Lastly, I would like to give you my best wishes while supporting all the resolutions, I

wish exceeding growth year on year with better dividend and bonus in near future. I wish everyone for all the upcoming festivals, Thank you.)

Ms. Pragya Kaul, Company Secretary:

Thank you Shobhana ji.

Now we go back to people with whom we could not connect earlier.

So, can we just see if Mr. Dinesh Kotecha is there now?

Mr. Dinesh Kotecha.

I think he has still not logged-in.

Then Mr. Bharat, he is there? Okay.

Mr. Kotecha please unmute yourself.

Mr. Dinesh Kotecha:

Ya Ya, Good Afternoon everybody.

Ms. Pragya Kaul, Company Secretary:

Good Afternoon

Mr. Dinesh Kotecha:

Good Afternoon everybody. I could not join because of problem of my internet, sorry for that. Sir there are some for these first three months our business landscape has come down by one-third compared to the top-line and bottom line both. Now considering the Covid exemptions going on for May & June till November because our Prime Minister has already announced free food grains for poor people till November so we fear that the Covid may extend up till November-December. How do we plan? You know what is the business planning now for restoring our sales, our profitability and all that because the first quarter results are not showing that promise as we have already been doing? that is the first question. Second thing is the what is the learning that you experienced in this COVID-19 process, some experience which you can highlight to us? Thirdly is your sustainable supply chain ecosystem post Covid, what is the growth and what are your thoughts on that. And Sir said and done we are with you because we wish these things normalise very fast for the rural and the urban products as they are of very good quality, we will definitely see the customers coming back to us and Consumers buying our goods. Wish you all the best and hope that some answers will be provided to my questions Sir. Thank you very much.

Ms. Pragya Kaul, Company Secretary:

Thank you, Mr. Kotecha.

Now we go to the last speaker Mr. Narendra Jhaveri.
Mr. Narendra Jhaveri.

I think he is not connected.

So now, we have received all the questions and with this we come to the end of the speaker shareholders list. I request the MD to please answer the queries raised by the members.

Over to you sir.

Mr. Shantanu Khosla, Managing Director:

Thank you Pragya and thank you everyone for your questions, for joining our AGM and for your continued support of your Company. It means a lot to all of us at Crompton. I'll try and answer most of the questions and if there is anything, I'm not able to answer please don't hesitate to contact us after the meeting as we will do our best. I will start as I normally do by trying to cover some of the broad themes which emerged and then get into some more additional specific questions which were asked.

There was one area which few a members asked about which is do we have a lay-off policy, what has happened to our employees at this time and in that area. For us our employees and our people are our most important asset. Through this entire Covid pandemic our number one priority has been the wellness, safety, health and looking after our people. We have not eliminated a single role of any one because of the Covid pandemic. We are continuing to try and engage our people. We have continued to help them to build their capabilities. So there has been absolutely no reduction of people in fact I will talk a little more while we are continuing to add employees in the key areas even during this period. The one thing that we did do is that we delayed bonus payments for our senior management and we also delayed salary increases for more people because I think some of you mentioned this when we talked about the dividend concern or question a lot of you have raised.

Now coming on to dividend where some of you spoke very eloquently. This Covid experience is horrible, it is unique and none of us has lived a life like this ever before. When we first went into the pandemic as the Company our most important thing given the level of uncertainty was you have to as a Company preserved cash. We did not know then how bad it could be. In fact, even sitting here today in July we still don't know how long it could go on and how bad it could be. Not just in India but around the world, all of us on the Board including the promoter directors felt strongly that it is really important to make sure we conserve cash in times of uncertainty like this. In fact, that is one of the reason we also additionally raised additional funds, we still think that it was the right thing to do and it was the prudent thing to do. Of course, I would also ask you to remember that money which is sitting with your Company is your money, it is no one else's money so as the things become

clearer as the business stabilizes we will continue to review on a regular basis, our policies stays the same, we do believe in rewarding our shareholders and we will continue to do that on a long term basis. But I would ask you to appreciate the decision we had to make given the extreme uncertainty which existed then and continues to exist. So far, your Company has managed the uncertainty quite well, but there is still uncertainty ahead of us.

The next area the broad area which a few of you talked about you know is the area of innovation, R&D, what are we planning to do in the future, what does the long-term road map look like and there were even some questions about certain areas such as rural and e-commerce. Let me try and take this altogether, because altogether they really are a part of how we see the future. First like our Chairman said our 5-point strategy we believe is the right way to continue to drive growth, top and bottom line, build value of our Company in the future. We have been significantly stepping up, even during this tough times our investment in R&D. About 7 months ago we created a new position and brought in a very high quality, very experienced Chief Technology Officer. During this Covid quarter we have continued to recruit specific capabilities to build our R&D and so we can get innovation in our businesses both current and potentially new to drive our growth in the future. But the underpinning of our growth will be continuing to create strong, consumer meaningful, innovation on our wonderful Crompton brand. We are continuing to make great Inroads in leveraging technology as we go to market. Two of the areas which are proving as we look out into the future, a future which will be changed to some extent by Covid, which are going to be growth opportunities for us. First is e-commerce and the second is smaller towns and rural markets, both of these your Company is already engaged in actively building up infrastructure and capability and we will continue to do that and even in this period our results in terms of growth in those two areas have been very strong.

Let me try and now move to some of the specific Questions some of you had.

There was a question on how much we spend on R&D. Last year we spent a little under Rs. 20 crores, and as the Chairman mentioned and I also indicated this investment will substantially go up as we move forward through this year and the next.

Cost of hosting this meeting this AGM virtually was Rs.10 lacs.

There was a question on capacity in our plants and I would also link this to one of the later questions which is how we see the immediate future. As some of you mentioned and as we have announced our total sales for the quarter was down by quite a lot, about 47%, but I think it is important to note that this 47% changed month to month. April was of course close to zero but as markets and businesses opened up in the month of May we did about 70% of normal. And by the time we come to June in our consumer business we did about 90% of normal. So business is improving so it is not that it is one flat number. Similarly, our plants have been continuously rafting-up. Our own plants in the month of May when the lock down lifted largely were operating at about 25% of what they were producing the year before as we started our plants with fewer people, lots of social distancing, and systems put in place but by June this went up to by about 85 to 90%. Now of course it is also important to realise that like most of you know that we are still having the Covid challenges and India is still hitting highest number of infections in different parts of the country literally on a daily basis, so for the future we have to see how that pans out.

There were some questions about China and how dependent we are on China. Grossly speaking today, we import about 5% from China. So it is not a very very large number, 95% of our value of sales are from products which are made in India. Within that we are also continuously also looking to over time reduce this even further. One good example is one of the variants which we used to import from China was our TPW fan, which we have already commenced manufacture of our TPW fan in our own plant in Goa and we expect by the end of the year we will be making about 80 to 90% of our requirements in India. So that's a continuous ongoing journey and we will continue to reduce our dependence on China.

There was a question on has the lockdown affected our profit and here I would just like to point out one thing as per our first quarter results which is released today, yes, because the sales value came down because of the Covid the absolute profit came down. However very importantly our profit margins did not come down, that means your Company in spite of having sales just a little over half of the previous year was managed to reduce cost during this period, so our profit margins actually stayed intact. Now we think this is a really wonderful thing because what this means as the sales come back, and the markets recover your Company should be in a very healthy position.

I think Beruz asked one question which I would like to clarify because this was raised in a couple of meetings before which is on royalty on the use of the Crompton Brand and how long does that last. I just want to clarify again; your Company owns the Crompton Brand. We are the Company which can use the Crompton Brand. So, we don't pay any royalty to use it, it is not owned by anyone else, we own it, no one else can use it. That's very important to us because we will continue to invest in this Brand and build our business.

There was one question, technical question on why MacRitchie was not considered a promoter, to which I have a technical answer, I'll just read it out - MacRitchie is not shown as promoter because MacRitchie Investments Pte. Ltd. is a person acting in concert with Amalfiaco Ltd. and Nirsinia Ltd. And then something about inter-se agreement and etc. etc. So, let me just, we can give you more details if one has some specific interest, but basically there was no fundamental structural change on the shareholding or anything which happened over this period.

There was a question on why there was no impairment on goodwill. We have adopted the policy of amortizing the goodwill in the books of account, on the basis of impairment test which we do every year. So, this annual impairment test has clearly indicated that there is no reason to impair any of this goodwill.

There were some questions on products which we plan to introduce. Now obviously I can't talk specifics about what products are coming or not coming but I'll just leave it and be on the fact that innovation and Brand is a key pillar of our growth. Our current plan for the rest of the year in terms of new products and innovation and activities is exactly the same as what we had planned pre-Covid. So, we have not cut back any investment to continue to drive growth through the rest of the year.

I think I've answered I believe most of the questions. So, If there are any I've missed out I apologize but do contact us and once again let me thank you all for your ongoing support in your Company, it means a lot to us as the

employees of the Company and also to the Board. And I wish you and your families all the best, please stay healthy, please stay safe.

And with that I will just hand it back to the Chairman Mr. Nerurkar.

Mr. H.M Nerurkar, Chairman:

Thank you, Mr. Khosla. I now wish to inform that the E-Voting window is open for 15 minutes from now. Members who have not yet cast their votes electronically may now cast their votes.

The result of the voting will be announced by Mr. Shantanu Khosla. The results will also be displayed on the website of the Company.

I thank all the Members for their valuable time to attend the meeting.

Stay well, Stay safe, Thank you.

Mr. Shantanu Khosla, Managing Director:

Okay Thank you Mr. Chairman. Thank you everyone.
