



# Signify Innovations India Limited

Transcript of the 6<sup>th</sup> AGM held through VC/OAVM on 17<sup>th</sup> September, 2021

**Nitin Mittal:-** Okay, so good morning and welcome to all our esteemed shareholders to the 6th Annual General Meeting of Signify Innovations India being held through video conferencing. Members were advised and recommended to join the meeting through devices such as laptops or desktops for better experience and have stable Wi Fi or land connection to avoid any issues for technical disturbances. For smooth conduct of the meeting, audio facility of only those members who have registered themselves to share their views, questions would be unmuted. Further, the transcript of the meeting shall be made available on the website of the company as soon as possible after the conclusion of the meeting. I understand from representatives of KFin Technologies that we have sufficient members present to concede the quorum. In fact, we have a large number of members which is really heartening to see for this AGM. Now I request our chairman, Mr. Mahesh Iyer to proceed with the meeting. Thank you.

**Mahesh Iyer:-** Thank you Nitin. Good morning, ladies and gentlemen, I have pleasure in welcoming all of you to this 6th General Meeting of the company. Again, here I would like to take this opportunity to thank you for your continued support and presence here today. As Nitin said, it's a difficult time, but I'm very glad that all of you are able to make the time to join this e-meeting. I must share that all efforts feasible under the current circumstances due to the outbreak of the Covid 19 pandemic have been made by the company to ensure there is effective participation by members of the company and for voting here on the terms set out in this notice. Of the quorum I have been informed that the requisite quorum as per Companies Act 2013 being present, I declare the meeting as validly convened. Let me take some time to do a little bit of introduction. Let me first introduce you to your directors attending the Annual General Body Meeting through the VC. The first one there is Ms. Sangeeta Pendurkar, independent director and chairperson of the nomination and remuneration committee and corporate social responsibility committee for the board. I'm also happy to call there Mr. Vinayak Deshpande, independent director and chairman of the stakeholders relationship committee, Mr. Vikas Malhotra who's now become the whole time director of the company Sumit Joshi, most of you would be familiar with him. He is the vice-chairman, managing director the CEO of the company. Also Mr. Amit Yadav, partner of S. R. Batliboi & Co LLP, the statutory auditors of the company, is also present in the meeting. I also represent myself as chairman of the audit committee of the board. I, on behalf of the members of the company, express our deep gratitude towards all the directors for the invaluable contribution and also would like to place on record the appreciation for Ms. Vibha Paul Rishi and Mr. Sukanto Aich, who stepped down from the board after their previous AGM. May I now request Mr. Sumit Joshi to say a few words about the business of the company. Sumit, over to you.

**Moderator:-** Sumitji, you're on mute, I would request you to unmute. Thank you.

**Sumit Joshi:-** I hope you are able to hear me well.

**Moderator:-** Yes sir, we are able to hear you. Thank you.

**Sumit Joshi:-** Thank you. And good morning to everyone. And I hope all of you are in good health. I also want to wish right in the beginning to all of you for the upcoming festival season. Here 2021 presented challenges the likes of which we have never experienced before in terms of disrupted business activities, diseased healthcare, infrastructure, and safety of people. Our priority was to ensure



safety of our teams while ensuring business continuity during these difficult times. Your company responded quickly to the conditions arising out of Covid 19 pandemic and the company's crisis team rose to the challenge to protect employees and associate with a series of measures including safe working environments, tips for family safety, and new efficient digital way of working to avoid unnecessary travel. On the business front, both B2C and B2B were impacted while B2C came back stronger after lockdowns were over, especially in rural. B2B projects continue to get delayed and postponed due to pandemic. We are happy that our strong brand, passionate employees, loyal partners, and dedicated vendors ensure that we stood test of time and ensured our business has remained rock solid. So while we had difficulty on our revenues, we gained market share, improved our profitability, improved our cash position, and also continued our journey forward in defined strategic areas. In the difficult year, the company managed to not just maintain but improve its profitability against the backdrop of decline in overall demand due to the pandemic. We took a range of impactful actions such as solid price management, stringent cost measures, rigorous working capital management, and curtailment of uncommitted and non-essential capital expenditures. We, as a company, are very confident that we will be able to brave the new normal, with strong and positive leadership and well executed plans. I want to thank my management team members and Board of Directors who joined me and took 25% plus salary and commission cut in the affected quarter of the pandemic. I also want to thank all Signify Innovations India employees who were ready to pitch in with their own voluntary contribution to ensure performance of the company but gladly, we did not require the same as we bounced back very strong after lockdowns. Overall, we achieved total revenue of 2,516 crores, which was 13.6% lower than FY 19-20. Our PBT 343 crores against 276 crores of 19-20. Our PAT was 267.6 crores versus 181.7 crores in FY 19-20. We delivered earning per share of 46.52 rupees. It gives us great pride and satisfaction that we became carbon neutral across entire global operations in 2020. We now use 100% renewable electricity and send zero waste to landfills are focused on strategic areas continue. Our employee's efforts in implementing our global strategy helps strengthen our market leadership position in connected LED and conventional lighting and accelerate our path to value creation. Share of LED in overall business stood at 79%, reflecting that the country is close to its peak conversion rates, owing to the availability and lower prices of LED lighting products. We continue to serve the country by launching innovative products like our Philips Twinglow LED Batten. India's first uptown led batten with dual light modes to suit both work and relaxation requirements of urban families who are more and more working and studying from home during the pandemic. With most offices and professional spaces remaining closed due to lock downs and US government and commercial projects in the year, our professional lighting sales were negatively impacted. However, we were still able to win and height up some of the most prestigious projects in the country like Kusum Sarovar Facade lighting project in Mathura, Arch Bridge in Bhopal, and Arun Jaitley Cricket Stadium in New Delhi. Shareholders will remember that last year we also lit motera the biggest lighting stadium in the country and not in the country, in the world. Sports lighting will continue to be our key focus going forward and with our state of art connected lighting systems, we are looking forward to convert a lot of stadiums in the country. Globally, we acquired Cooper Lighting to further consolidate our market leadership and have also integrated their operations with ours in India as well. We live as our 35 years of expertise in UVC lighting to launch wide range of UVC-based products for professional and consumer homes that address the growing need for the disinfection of air, surfaces, and objects from viruses, including the virus that causes Covid 19 in a matter of seconds. These include our Philips UVC disinfection, upper air luminous, advanced disinfection system UVC, infection trolleys, disinfection chambers to disinfect objects. We also launched UVC disinfection services for consumers and professional customers, offering them effective and cost-efficient solution for disinfecting their devices as per their desired frequency. We will continue to focus on these areas as the pandemic continues to drive demand for disinfection of air and surfaces. We became the first lighting company to introduce 3D printed luminaires in India being manufactured at our production facilities in Vadodara and Noida. This highly flexible and more sustainable form of manufacturing using 100% recyclable polycarbonate material enables us to produce luminaires that have

bespoke designs tailored to a customer's exact needs, which can also be recycled at the end of their life. Thereby, we support circular economy. This will be another pillar for growth for our company going forward especially as we have a early mover advantage in this segment in the country. Conventional lighting still a large part of the market in India is steadily declining owing to the growing penetration of LED lighting. Our conventional lamp business witnessed on expected lines degrowth of 6.2%. In fact, in the year of pandemic, conventional lighting did better than our expectations owing to the rural demands because for the incandescent bulbs. Our commitment to the society continued as a significant part of our country's population is still living in the dark without electric light. Our corporate social responsibility programmes focus this year has been grown to provide access to sustainable light to underserved communities, and leveraging UVC technology to safeguard frontline Covid warriors and vulnerable sections of the society. We positively impacted 2,75,000 lives this year with our CSR programmes spread across the country. We eliminated schools, villages, and breakouts. This year, we installed more than 1000 UVC disinfection chambers in 300 hospitals, 90 police stations, and 20 old age homes across the country to enhance the safety of Covid frontline warriors like health care workers and policemen who are working in unsafe environments during the pandemic. Before I come to close, I want to pray for departed souls of Ashish Sethi, Shantilal Ishvarbhai Parmar, Pratik Kumar, Manubhai Patel, and Syed Meeran Abaan are four of our dear colleagues who will be lost to the Covid 19 pandemic. I also want to express our votes condolences for many named and unnamed countrymen and women who will be lost to the pandemic including some of our dealers, distributors, vendors, and shareholders fraternity. Lastly, I want to thank my fellow board members, Signify Innovation India's employees, our partners, and our shareholders for their continued encouragement and support. Thank you. Over to you Mahesh.

**Mahesh Iyer:-** Thanks Sumit. Coming to the business of the meeting, the notice for this Annual General Meeting dated 29th July 2021 was emailed to members and a public notice to that effect was published in the newspapers. With your permission, I take the notice convening this meeting as read. The members note that the auditor's report on the financial status of the company for the year ended 31st March 2021 did not have any qualifications, observations, or comments of the auditors on the financial transactions or matters which have any adverse effect on the functioning of the company. In view of the same and in accordance with the provisions of Section 145 of the Companies Act 2013, there is no need to read the auditor's report. I would like to inform that pursuant to the Companies Act 2013 read with relevant rules, the members had the opportunity to exercise their voting rights through remote e-voting for the items of business to be transacted with the AGM and the material facts concerning each of the eight resolutions that are given in detail in the explanatory statement circulated along with a notice convening this meeting. The business at this meeting includes four ordinary business and seven special business items. The same are as follows. Number one, to receive consider and adopt the financial statements of the company for the financial year 31st March 2021, including the audited balance sheet as of 31st March 2021, the statement of profit and loss for the year ended on that date, and the reports of the auditors and directors thereon. Number two, to declare the dividend for the financial year ended 31st March 2021. I now know request Mr. Sumit Joshi to take up the next agenda item being myself interested therein. Sumit, over to you.

**Sumit Joshi:-** So as a part of ordinary business, number three, to appoint a director in place of Mr. Mahesh Srinivasan Iyer with a DIN of 08544593 who retires by rotation and being eligible offers himself for re-appointment. I would now request Mahesh Iyer to take over the proceedings of the meeting.

**Mahesh Iyer:-** Thanks Sumit. Item number four, re-appointment of Messrs. S. R. Batliboi & Co. LLP, chartered accountants, firm registration number 301003E/E300005 as statutory auditors of the company and fixed the remuneration. Special business item number five, re-appointment of Mr. Vinayak Kashinath Deshpande DIN0036827 as an independent and non-executive director. Item number six, regularisation

of additional director, Ms. Sangeeta Pendurkar DIN03321646 as an independent and non-executive director. Item number seven, regularisation of Mr. Vikas Malhotra DIN09253036 as director of the company in capacity of whole time director. Item number eight, revision in remuneration of Mr. Smith Padmakar Joshi DIN07018906. Item number nine, revision in remuneration of Mr. Sukanto Aich DIN02175058. Item number ten, commission to the non-executive independent directors of the company and item number eleven, approval of remuneration of the cost auditors. The remote voting e-voting was extended to all members of the company as on 10th September 2021 being the cutoff date. The remote e-voting was available from 9 am Indian Standard Time on 13th September 2021 till 5 pm Indian Standard Time on 16th September 2021. The company has engaged KFin Technologies Private Limited to provide the e-voting facility. We are also extending the facility of electronic voting to the members attending the meeting, who may not have already cast their vote by remote e-voting. Members eligible to vote may exercise their right to cast their votes through e-voting system by following the same procedure as that of remote e-voting. The e-voting system are available now and will remain open during the proceedings of the meeting and for 15 minutes after the conclusion of the meeting. Dr. Asim Chattopadhyay, practising company secretary is the scrutinizer for the remote e-voting, as well as for the electronic voting provided at the meeting. Members may give their suggestions, seek clarifications, or ask questions, if any, on the agenda items set out in the notice. I understand members desires of speaking have already been registered as speakers as per the procedures set out by the company. With due respect to other speakers and time, I request each speaker to be brief and restrict their comments to three minutes and pertaining to the agenda of the notice. The speakers may come forward. Nitin, over to you.

**Nitin Mittal:-** Yeah, yeah, yeah, thanks. Thanks Mahesh. So we have the list of members who have registered to share their views. Trust the registered speakers would have ensured availability of all the technical support as mentioned earlier during the meeting, including the device with camera webcam along with good network to avoid any disruption. While you participate in the meeting through the device, we would request the registered speakers to come over when we call out your name to share your views or ask questions pertaining to the agenda of the notice. I would now hand over to the moderator to call out the names and would also ask the moderate to pass the speaker to the larger audience. So moderator, over to you.

**Moderator:-** Thank you sir. This is a moderator here. I will bring the registered speakers one by one who are currently available now. The first speaker is Mr. Puneet Kumar from New Delhi. I would request Mr. Puneet Kumar to unmute your audio and switch on your camera and proceed. Thank you.

**Puneet Kumar:-** Can you hear me?

**Moderator:-** Yes sir, we are able to hear you. Please proceed.

**Puneet Kumar:-** Number one, I would like to thank and congratulate Mr. Sumit for delivering such a wonderful performance. This is a company which used to give two rupees or three rupees earlier. Now we have got 20, 30, and now 62 rupees. This is a fantastic performance and Mr. Sumit has taken personal interest to solve various questions that shareholder may have like me. He has been very prompt and impressive and clear in his communications in convincing the customers that we are in safe hands. I would like to put in a word of thanks and good work by Mr. Nitin Mittal also who has been extremely cooperative in spite of not being well. He has been extremely prompt in responding to all the queries sent to him. The company has not only done great in dividends but it has done equally well on EPS growth, reduction of inventory, and reduction of receivables. Now, three things that I would like to ask regarding future probably course of action for this year as such is over. Number one, we are paying more than what we have earned. Is there anything special reason or is that our company expecting

something on the government front to change? Number two, we hear of great marketing things Mr. Sumit has been able to convince that according to the various studies that company brands and products are doing great. But if I have to look for educating myself on a product, which kind of production will go into my room, track lighting change, I find it difficult to find a source and being suggested to go to a sales person which probably need some direction from the management. Number three and last, everything is great, company people are good, performance is good, but somehow the top line growth seems to be missing which is an area of concern. I understand the difficulties of Covid and it affecting it but still some companies have been able to manage top line better than us. Thank you so much.

**Moderator:-** Thank you sir. We will move to the next speaker. The next speaker is Mr. Mahesh Kumar Bukalnah from Kolkata who is currently not available. The third speaker is Mr. Taraknath Chakraborty from Kolkata who is also not available at this moment. We'll move to the fourth speaker. The fourth speaker is Mr. Amit Kumar Banerjee from Kolkata. I would request the speaker Mr. Amit Kumar to unmute your audio and switch on your camera and proceed. Thank you.

**Amit Kumar Banerjee:-** Hello, hello.

**Moderator:-** Yes, yes sir. Please proceed.

**Amit Kumar Banerjee:-** May I, may I, may I audible and visible?

**Moderator:-** Yes sir. You are audible sir. Please proceed. Yes sir, you are visible too.

**Amit Kumar Banerjee:-** Visible?

**Moderator:-** Sir, you are visible sir.

**Amit Kumar Banerjee:-** Yeah. Good morning to everyone. Respected chairman of the meeting, other board members. Myself Amit Kumar Banerjee from the city of Kolkata. Thank you for being connected and opportunity to speak such a wonderful meeting today organized by our company through video conferencing. It is our 6th Annual General Meeting of Signify Innovations India Limited. As regards the performance is concerned, our company's total revenue as visible in the balance sheet under review was declined 2516 crores in comparison with the last year about 2990 crores though of course, the profitability is concerned, improved, and increased. Total profit before tax was about 343 crores of rupees in comparison with the last year about 276 and after tax net profit stood with the tune around 7 crores. Last year, it was only 182. Our company is basic business is likely. Sir, it is good also that the CSR activity was made. Our company is paying about 276 points 56 million during this year. It is good for the welfare measures. Sir, one thing about the dividend is concerned, it was reduced in spite of the higher profitability 62.50 last year we got 75 rupees to kindly keep attentions, minority shareholders rewarding policy. About the others expenses is concerned, it looks on higher side sir. Miscellaneous 321 millions, legal 128 millions, repairing almost double, building 30 million, plant and missionaries 34, others is 30 million totaling 84 millions but last year it was only 43 millions. Loss of sale of disposal of properties also it comes around during this year 39 million. Last year it was nil. We can reduce to sell all such peripheral expenses like miscellaneous, royalties, and others through video conferencing. Resolving whatever the issues is concerns through video, sir I would like to know about the capital expenditure plan for forthcoming next two years. Kindly share your views. Is there any plan to listing of shares in any prime stock exchanges, companies shares are being listed to kindly throw some lights? What is the research and development cost to sales? I hope our company will definitely give a strategic move overcoming certain risks including Covid pandemic situation. Working together will add more value,



goodwill, quality of product, improved technologies, and come up with a better result keeping definitely in mind, the minority shareholder wealth creation policy.

**Moderator:-** I would request the speaker to wrap up the question. Thank you.

**Amit Kumar Banerjee:-** I thank all three team members for smooth conducting video conferencing meeting. Myself Amit Kumar Banerjee for further proceedings. Thank you Mr. chairman.

**Moderator:-** Thank you sir. Thank you. We will move to the next speaker. The next speaker is Mr. Barati Seraf from Kolkata. I would request the speaker Mr. Barati Seraf to unmute your audio. Yes sir, you have unmuted. Please proceed. I would request the speaker Barati Seraf to proceed with your query. You have unmuted. Please proceed.

Since there is no response from the speaker, we'll move to the sixth speaker. The sixth speaker is Mr. Yusuf Yunus Rangwala from Mumbai. I would request the speaker Yusuf to unmute your audio and switch on your camera and proceed. Thank you. I would request.

**Yusuf Yunus Rangwala:-** Yeah, good morning sir.

**Moderator:-** Yes, please proceed. You have again muted yourself. I would request you to unmute and proceed. Mr. Yusuf, you're still on mute. I would request you to unmute and proceed.

**Yusuf Yunus Rangwala:-** Now, now?

**Moderator:-** Yes sir. Please proceed. Again you have muted yourself. On the bottom of the screen, you will have a mic. Just click only once that button so you will be unmuted. Please proceed.

**Yusuf Yunus Rangwala:-** Can you hear my voice?

**Moderator:-** Yes sir. Please proceed. Again you have muted. I think the speaker is having some technical challenges. So we will move the next speaker. The next speaker is Mr. Jaideep Bakshi from Kolkata, I would request the speaker Mr. Jaideep to unmute your audio and switch on your camera and proceed. Thank you. Mr. Jaideep Bakshi, you have unmuted. Please proceed with your query.

**Jaideep Bakshi:-** Good morning sir. Am I audible?

**Moderator:-** Yes sir. You are audible. Please proceed.

**Jaideep Bakshi:-** Good morning, chairman MD, Board of Directors, and CFO. Myself Jaideep Bakshi connecting from the city of Kolkata. Sir, proud to be part of a company with a enlightening and providing high quality energy efficient lighting products. Sir, I know report is well-defined and well-presented. And in your initial speech, you have listed about our company performance is everything has been well-explained. What are the steps we are going to maintain for our growth and tide over these uncertainties? Because in every industry in every field, there is uncertainty going on. So what are the steps? And sir with the Government of India backing on this infrastructure, sir how much for the coming days? Sir, regarding the cost controls measures, what are the steps we are going to take to maintain our positive approach? And sir because it because of this pandemic situation that there was a supply chain disruption, how much has been the effect on a daily business regarding right from our raw materials and also on the finished product distribution, how much has been the effect on a business? And sir, is the cost of the raw material affecting our product pricing also just I want to know. Sir, regarding the export

scenario, kindly throw some light on it, because also there is a restriction in the goods movements also, and without the future these waves and pandemic coming up. Sir, what are the steps we are going to take? Because we have to learn something from our past experience, and we must counter them in the in a defeating manner. Sir, what does our capital expenditure plans for the coming in two to three years? And regarding R&D, we are doing our research and developing new products. Sir, what is our capital expenditure in this sector also? Sir, regarding dividend, you have paid the handsome dividend and regarding the inventory, what are the what is the current position? Or how do we thinking up to manage in the future? If some restrictions, do crop in and sir, CSR is required to the society has always been great, from your part, and sir, one more thing, what is our thought process for waste management? Or how do our thinking about this, and nothing to add more, and hope under your leadership and on guidance, positive results, and we were the shareholders sensibly in the coming days. Thank you and all stay safe. Thank you sir.

**Moderator:-** Thank you sir. We'll move to the next speaker. The next speaker is Mr. Rahul Gupta from New Delhi. I would request the speaker Mr. Rahul Gupta to unmute your audio and switch on your camera and proceed. Thank you. Yes Mr. Rahul Gupta, you have unmuted yourself so you can proceed with the query. Thank you.

**Rahul Gupta:-** Very good morning to the chairman, the shareholders of the Signify Innovations will be as you mentioned, as the innovation is a part of the company name and I'm really happy to see the deployment from the innovation site. I also want to thank the compliance side company secretaries Mr. Nitin Mittal and Mr. Harvinder Kumar for compliance all the compliances of the company regularly and very efficiently. From the question side of the finishes, I just wanted to put some highlight with the permission of the chairman, that's what all the how you handle this pandemic situations in future number one. Number two, my question is that how to scale up the business of the Signify Innovations as other speakers were asked. My other question is there has been any plan for the listing of the company or resegment round of the dividend in the coming years? As of now, so these are my only simple questions. Looking forward answers from you. Thank you sir.

**Moderator:-** Thank you sir. So now we will give the opportunity for the speakers who couldn't speak earlier. Mr. Mahesh Kumar Bopanna and Taraknath Chakraborty from Kolkata still they have not joined. We will move the next speaker Mr. Barati Seraf from Kolkata. I would request the speaker Barati Seraf to unmute your audio and switch on your camera and proceed. Thank you.

**Santosh Kumar Seraf:-** नमस्कार, नमस्कार। सर एक मिनिट. आदरणीय अध्यक्षजी मेरे प्रिय भाइयो बहनो। मेरा नाम संतोष कुमार सराफ हैं। मैं कलकता से बोल रहा हूँ। आप सभी को मेरा नमस्कार। आशा करता हूँ आप सब स्वस्थ और सुरक्षित होंगे सर। और सर नमस्कार सर मेरा अब दिखाई दे रहा हैं। मैं आपसे बात कर रहा हूँ। आदरणीय सभापति, सदस्य, मेरे शेयरहोल्डर भाइयो बहनो। आशा करता हूँ आप अच्छे से होंगे स्वस्थ और सर आपका कैपेक्स प्लान क्या हैं इसके बारे में बताइयेगा सर। और आपको डिविडेंड देने के लिए बहुत बहुत धन्यवाद देता हूँ। बहुत अच्छा डिविडेंड आपने हमें दिया हैं इसके लिए मैं हार्दिक धन्यवाद देता हूँ सर। और सर रेनवाटर हार्वैस्टिंग के बारे में, के बारे में जैसे सोलर पैनल इसके बारे में बताने का कष्ट कीजिये सर। प्लास्टिक के लिए क्या कदम उठा रहे हैं जिससे कम से कम सिंगल यूस प्लास्टिक. एक सर वीमेन एम्पावरमेंट के लिए क्या कदम उठा रही हैं ये भी बताने का कष्ट करियेगा। ज़्यादा ज़्यादा वीमेन को नौकरी मिला हर साल के मैं समझता तो देश एम्पावरमेंट होता हैं, समाज एम्पोवर होता हैं, छोटे बच्चे की एम्पावरमेंट होती हैं सर. सर हुनर दिखाने का. सर ओलिंपिक में उन्होंने फर्स्ट मैडल लाके दिया। उनको और आप तो अच्छे आदमी हैं सर. आप तो ज़्यादा ज़्यादा

एम्पोवर करते हैं मेरको मालुम हैं ज़्यादा ज़्यादा एम्पोवर करिये और उनको. जय हिन्द, जय भारत। कामना करता हूँ भगवन आपके आपके परिवार को जितने भी हमारे डायरेक्टर हैं उनके परिवार को लम्बी उम्र दे. हमारा ये जो कंपनी हैं. कही अंरेजिस्टर वाले ऑफर करते हैं ये लेलो. मैं भगवन से प्रार्थना करता हूँ एक बार फिर आपसे दोबारा समय देने के लिए. जय हिन्द, जय भारत, नमस्कार सर.

**Moderator:-** Thank you Serafji. We will move to the next speaker. The next speaker Mr. Yusuf Yunus Rangwala who couldn't speak earlier. I would request the speaker Mr. Yusuf Yunus to unmute your audio and switch on your camera and proceed with the query. Yes sir, please proceed. आप बात कर सकते हैं.

**Yusuf Yunus Rangwala:-** Good morning sir. I am Yusuf Yunus from Mumbai. Sir, I'm very happy with our company chairman history sir. मेरा आपको फुल सपोर्ट हैं. सर आपने डिविडेंड भी छप्पर फाड़के दिया और सर आप अच्छे सर्विस. I am very happy to company sir. मेरी एक ऐसा ड्रीम हैं की इसी कंपनी. मैं जानना चाहता हूँ सर अगर हो सके तो सर आप मुझे कराइये। सर मिलने के लिए सर मैं महेश सर आपके डायनामिक चेयरमैन के साथ मैं मिलने को सर बहुत ख्वाब हैं. हो सके तो आपका एक फोटो सर मुझे भेज दीजिये तो सर मैं आपको फोटो आपको देखके सर मैं आपकी याद सभी त्योहारों का आपको शुभकामना देता हूँ और आपका सेक्रेटरी साब जो अच्छी सर्विस जो. Thank you very much. Jai Hind, Jai Maharashtra.

**Moderator:-** Thank you sir. Thank you. So, actually, we were having a bad network connectivity from the speaker. So that's a in between there was a disconnect. With this, we have completed to the Q&A session with the registered speakers who are available in the AGM during the tour. Now we are handing over the stage back to you. Thank you sir.

**Sumit Joshi:-** Chairman, with your permission, can I take the questions? Yeah.

**Mahesh Iyer:-** No I think I would request Sumit quite a few questions asked quite a few similar topics as well, but would request you to answer the same. Over to you Sumit.

**Sumit Joshi:-** So firstly, I want to thank everyone who took initiative to come and ask questions give suggestions. So I think it's very, very important. We understand and we always keep minority shareholder's interests in mind because we are a very, very responsible organization. We want it to be like that. So I'm going to try and answer questions but I'm going to bucket them. So there were questions around dividend, right? So obviously, I want to thank that you like that we have given the higher dividend but पुनीतजी ने एक बहुत वैरीड क्वेश्चन पुछा था की why our EPS is 46 but our dividend is more than that? Now I want to take a step back. We have always made sure that whatever our dividend distribution policy has been pretty robust. We want to whatever is only required to make sure that our working capital needs are taken care of our capital expenditure is taken care of, but whatever is remaining we always try and distribute that in terms of dividend. Last year before the when the pandemic was there, we had actually reduced our dividend. So, अमितजी आपने बोला 75 rupees dividend 75 नहीं था वो 75% था इसीलिए dividend was seven and a half rupees and before that, we had given higher dividend. So, what we always look at is that our stakeholders being compensated in the same way as the business is going or we had, you know, the business which is anticipated in a particular way. So, last year जो हमने डिविडेंड कम कर दिया था साढ़े सात रूपया we wanted to make sure that our cash position is





strong and we were looking at the pandemic it had hit us a lot of uncertainty, so, we wanted to make sure that we have enough balance for us to make sure that we are able to tackle any situation which comes our way. Obviously, we do not have a lot of debt and we just, you know, whatever sales we do, it gets converted into cash very, very fast and also profit. So, when we saw that our, you know, profit is back we have tried compensating the shareholders for what they could not get last year. Last year, an unnatural dividend would have been 32, 35 rupees which we could not give last year. So, we said now, that we had back and you know, we have returned to a normalcy not completely, but from a cash standpoint. So, we decided to actually add that and if you look at last three years, therefore, our dividend policy has been consistent. So, therefore, we increased it to 62 and a half. Going forward our as I said, our dividend policy is very clear that we will want to compensate and make sure that our shareholders get their dividend of course, after taking care of all the capital requirements, cash positions, and any uncertainty which we need to tackle. So, that was question one. The second question which even last time Puneetji were asked I think it's a very relevant question it also keeps us moving lighting as a market is, you know, when there was a conventional lighting, we used to have five to six players. Today, there are 500 players in the market, because the entry barriers to get into LED are very, very low. And therefore, you will find that there are players who are selling at whatever price which one can get. Government also went into a big scale expansion by through ESL where they are given LED lamps, you know, almost free to people across the country, you know, that of course made LED conversion faster, but it also reduced the prices. Now, one thing which is very, very clear for us is that we need to have a sustainable business, something which we are able to command our premiums, we need to invest that back into our innovation, we need to make sure that we are doing a sustainable business. Having said that, we have to Puneetji also look at couple of differences and this is not to but I think it's important for shareholders to understand that we are operating across all spectrums of lighting industry. Now, which are the spectrums we operate in conventional lighting, we also have a very, very strong OEM what we call as components or lighting products, which we supply to other players, you know, which are not branded as Philips, but they are branded for them. So, we also play there. And of course, there is a B2B part of our business and if you look at lighting as an industry, our market share across all the verticals, we are leading versus anybody else. Having said that, you know, you have a conventional lighting, which is so if you start looking for like for like comparison, we look at our competition very, very seriously. And we bucket our competition into three ways. One is a competition which is only operating in LED. And we always benchmark as to you know, what is our profitability and what is our growth in a LED part of the business because that's the right kind of a comparison with players who are only in LED. Then the second bunch of people who are there in conventional plus LED so we also look at them and compare ourselves with that. There is a third party agency, which goes and collects our offtake data every quarter and every month and through many many retail outlets across the country. So we also keep a watch on how is our market share and offtake which is moving and all the necessary actions whenever we see that any particular region which is impacted in our market share in terms of volume, then we will take into consideration any activity which we need to do that. Growth, we need to get back so even in our internal scheme of things we do not compare ourselves with 2020. We always say, how fast are we going to get back versus 2019. Of course, there is a headwind on conventional, it will continue to decline, but we are getting into newer and newer categories. So, for example, you would have seen that UVC was not there, we got into a category which we think is going to grow in a pandemic time. We are now investing into something called as 3D printed luminaires, right, which is for people who really, you know, appreciate the sustainability part of doing business. We also have invested significantly in our smart homes channel where we have close to 200 of our branded franchise stores, where people who want to innovate or making their new homes are coming. It's a profitable business too. We want to make sure that all the new points we are tackling because replacement demand will slow down because LED lasts longer than conventional. So our focusing is clearly on how do we drive the demand from a new points. The fourth thing clearly that we even in government jobs, while we go for a lot of tenders and some of them are not as profitable, but we are also coming up with innovations



around facade lighting. So, if you I have seen most of the prestigious monuments which are there in India, or sports lighting, which I mentioned in the beginning of my speech, they are a very, very connected high end kind of solutions, which are difficult for others to really come and give and the way the way we are able to do it. So we are focusing on driving what we call as connected lighting system and services. So that's where our investment is going. And we are acutely aware. Puneetji, and I want to assure you that our top line is extremely critical for us. We want to make sure that we whatever is the slum and in spite of the conventional which is going to decline we are going to grow and to that effect we have also taken few more steps last year. So we launched a second brand called Ecolink. Now, in the lighting industry, there is a premium set of customers and then there are very, very low end customers. Now, of course, we don't tackle the low-end non-quality conforming segment while it exists because we will never give products which are not as per the standards and not as per the quality. But there is still a mid and low-mid customer segment which we need to address better. And therefore, we launched Ecolink as a brand and Ecolink has done extremely well. It has penetrated more. It became the fastest growing brand in lighting. We reached 100 crores in the very first year. And our journey is to take it to a 200, 300 crores. So we start tackling that in a in a rightful way. We have also started getting into our we are trying as a pilot to get into through Ecolink brand into adjacent categories. So we have just in this year looking at getting into fans as a business. But we are going to try it we are we need to go and really figure out what are the ways in which we can boost and use our existing amazing distribution which we have, which will also obviously help some part of growth. But one thing which I also want to make it clear that we are not going to go for growth at an expense completely of the profitability, we need to make sure and we have seen examples. I don't want to talk names about the companies who are going and making it only on price, but they are up for sale, right. So I think we are not going to be doing that. We will ensure that we continue to have a profitable business, and at least, I don't give you a chance to, to come back and you know, have a question on profitability, we will ensure that we are protecting that. So that's on top line growth. There was a question Jaideep sir asked on various things on how are we managing the uncertainty. So I'm going to basically club all that topic into Covid-related issues, right. The Covid-related issues we are we have learned quite a lot. I mean, most of our processes we have made in such a way that even without working from office, we are able to manage as efficiently. So we will continue to do that. We monitor our employees and we facilitated vaccination for employees, whether it's in our offices or in our factories, we had vaccination camps, and I'm very happy to say that most of our employees would have got first dose and a multiple large portion of our employees are already getting into their second dose so we are very, very clearly monitoring and ensuring that we are helping our employees to get the second dose. And we are also extending that to our fraternity where you know, it's distributors, distributors sales people, you know, our long-term salesmen who are who are on the who are not on the roles but who still are working for us. So, we are taking into consideration not only our teams but we are also going out and across the ecosystem to ensure that we are working towards that. Covid is not over, we know that it is not over therefore, other questions which we had was on cost. So, you will actually would have if you see our balance sheet, you would be very happy to see that whenever it required, we actually have managed our cost very, very well. And I want to thank all my teams and our management team even if it when it came to personal contributions we have done to make sure that our costs are always in control, and we are not running ahead in terms of the cost looking at the pandemic. We hope that pandemic is going to get over but next six to nine months, clearly, we are going to be very, very vigilant to ensure that we are not going to spend costs which are which can be which can be stopped, we will stop. Having said that we are not going to curtail our spends on innovation, we will continue to invest behind our R&D. Last year, we had numerous innovations including UVC and lot of those innovations we will continue to try. So we will not compromise on investment on R&D. We are not going to compromise as much as possible, our investments on brand. So there we will definitely continue to invest. But of course, everything else we will make sure that the cost is always in control. The other question was on capital, you would see that our capital expenditure is very, very well managed. So we have our internal processes for every capital expenditure we do.

There are business cases which are there to make sure that all the investments and return on all that capital which is which is employed, we are able to do that. Currently, I think we have a very slew of innovations where capital we have already investment invested. Now we're currently at least don't see a need for a huge capital expenditure. But yes, there are going to be a few CapEx related expense which we might do on the LED front in our factories to make sure that, you know, our factories are well equipped to manage some of those technologies going forward. So that's on capital expenditure. The other thing which I was very, very happy to hear, you know, Yusufji, Barati Seraf in particular, who were asking questions on sustainability. Now, I'm very, very happy and all of us should feel proud that we are walking the talk. We are the most sustainable lighting company in the world. We are the most sustainable lighting company in India. We have we are carbon neutral already in India. So, there is no carbon which we are emitting into environment. We are also taken a bold step of actually coming out of plastic packaging because you know, Baratiji, he was asking what are we going to do about single use plastic? So, we want to actually reduce our plastic usage completely. So, we are going to get out of our completely out of plastic packaging by maybe the second half of this year. So, even now, I think 95, 98% of our packaging we have come out of plastic. So, clearly the the idea is to move away from plastic. As I said, landfill we have a zero waste in landfills. So, that is a part of the sustainability agenda. The other thing which was asked was on women empowerment, you know, five years back, we put globally an ambition to become carbon neutral, and we have we have gone got that ahead of our time. And at a global level and also in India, we defined our next five year strategy on sustainability and one of the one of the key parts of that is around diversity. And diversity has two parts to it. One is age diversity, there are, you know, diversity, which could be around people who are physically, you know, disabled, how can we get them into employment, but also a big portion of that is on gender diversity. And what we have said is that by we will double our women managers at a global level in five years, and we are going to take that to about 90%. In India too, we are acutely aware of, of this, and we want to do our part to make sure that we are giving opportunities to our women colleagues, and that's what we are up to. We have Sangeeta Pendurkar, who is our independent director who also takes a very very keen interest in ensuring that we are staying course and we are looking at various initiatives to ensure that we are able to attract women talent, we are able to retain women talent, and of course, without compromising on just not because of gender but really harnessing what they have to really offer and make it easier for them to rise and cope up with the pressures for from corporate. So we are doing our best and it's our commitment that we are going to double our women managers in next five years. Then there was a question on listing. Maybe, chairman, I would want you to answer that question.

**Mahesh Iyer:-** Sure. In terms of listing, I think we follow typically what Signify worldwide does. And normally, the procedure there is that we typically take over the list at one place, and for us, that's currently the Amsterdam Stock Exchange, or the Euronext, as they call it. So right now, there is no immediate plan of listing.

**Sumit Joshi:-** Chairman, I missed one question so if I answer that as well. There was also a question on the whole raw material price increase, supply disruption from China. Yes, I think it's very, very big, specifically on the electronics components there is a huge shortage across the world. And in particular, the electronics which we also use in lighting products, addicted lighting products, there is a short there is an acute shortage of that. Being the global company, we are still able to, you know, work with these global electronic manufacturers to ensure some kind of a supply but I do see that next six to nine months and some of the predictions are till the end of 2022, we will continue to have challenge as far as the electronic supply is concerned. And therefore, what we are trying to do clearly within is to how to improve our forecast accuracy. How do how are we able to project. Remember, we have a huge B2B part of our business and some of that, we really need to project well, and without taking undue risk on the inventory, because we definitely want to manage our working capital in the best possible way. So we are making sure that we are planning better. But I do see that next nine to 12 months, we need to be



very vigilant to ensure that the supply situation is better on electronics. We have also seen a lot of raw material price increases, whether it's metals, whether it is electronics, some of it is due to short supply, but some of it is due to the cycle, which we are facing. And we always take the first company in the industry always to take up the prices because some of it wherever we are able to absorb it and not make it difficult for our consumers and customers to get impacted. We will take that, but we will have to pass on our cost increases to consumers and customers. So we do we do that in different, you know, categories in a different way but yes, the raw material prices are going up. We expect that to be a trend for at least next couple of quarters and for electronics maybe even a bit longer than that. Thank you. Sorry for missing out this question.

**Mahesh Iyer:-** I believe you have answered most of the questions. If there are still some more, please feel free to type it in. Again, I just want to conclude. So once again, I thank you for all the efforts and also for sharing the views. I believe that you have answered most of the questions asked on this call. Again, I'm also glad for the involvement of the people who asked the questions because we do care a lot about minority shareholders and I'm very glad to know that they are there in this meeting and they have been asking questions. So for me, this concludes the formal business of the meeting. I thank you and declare the meeting is closed. I again request the members who have not cast their votes through remote e-voting could do so by availing the e-voting system that is still available for 15 minutes. There is also the e-voting as well as for the electronic voting done at the AGM today shall be reported by Dr. Chattopadhyay himself all through his authorized representative in the prescribed manner not later than 4 pm on 18th September 2021. Further, I authorized the company secretary to declare the results of the voting at 5 pm on 18th September 2021. The results will be updated on the website of the company in due course. The same would be duly recorded as part of the proceedings of the AGM. Thank you all for the support. Thank you.