

TRANSCRIPT
OF THE
NINETIETH ANNUAL GENERAL MEETING
OF THE MEMBERS OF
GODREJ & BOYCE MFG. CO. LTD.
HELD ON
TUESDAY, 28TH SEPTEMBER, 2021
AT 10:30 A.M. (IST)
THROUGH THE MEDIUM OF VIDEO CONFERENCING (VC)

GODREJ & BOYCE MFG. CO. LTD.

MR. J.N. GODREJ STATED:

“It gives me great pleasure to welcome you all to this Ninetieth Annual General Meeting of the Company. In view of the current unusual circumstances due to the pandemic caused by COVID-19 prevailing in the country, requiring social distancing, the Company is conducting this Annual General Meeting through video conferencing pursuant to the Circulars issued by the Ministry of Corporate Affairs”

“All Directors of the Company, except Mr. V.M. Crishna, are present at this Annual General Meeting.”

“The Chairman of the Audit Committee, the Chairperson of the Nomination and Remuneration Committee, the Chairman of the Stakeholders Relationship Committee and the Chairperson of the Corporate Social Responsibility Committee, are present at this Meeting.”

“The Statutory Auditors and the Secretarial Auditors of the Company are present at the Meeting.”

“The Notice of the Meeting was sent on email to all the Members and I would like to state that the Company has made every feasible effort to enable the Members to participate and attend the Meeting through the medium of video conferencing.”

“All the Members who are participating through the medium of video conferencing will be considered present for the Meeting.”

“This Meeting has the requisite quorum; I declare the Meeting duly constituted.”

“Before we commence to take up the Resolutions mentioned in the Notice of this Annual General Meeting, I would like to briefly touch upon the business performance of the Company for the financial year 2020-21.”

“The year started on a difficult note with a lockdown imposed on all business activity on a pan India basis, beginning with the first fifteen days of April, it was gradually extended – at first nationally and then in geographies with high caseload of infections, severely impacting operations during Q1 and even beyond. Curbs on business activity for categories, other than those deemed essential, hit us hard given that our products did not qualify as essential items. We faced challenges of the kind we had never experienced before.

We applied ourselves to managing the situation right from Day 1, taking heed of the prior announcement of the lockdown. We focused on ensuring the safety of our employees through constant communication and instituting appropriate Covid prevention protocols. With revenues uncertain, we took quick action to balance our cash flows through a strong focus on collections and management of vendor payables. We worked on scenario plans, given the uncertainty in tackling the virus and its consequential impact on the economy. We explored levers to reset, re-engineer and re-invent our business processes. We made structural changes to reduce our fixed costs, re-negotiated better credit terms with our vendors and supported them through bank financing. We re-jigged our supply chains to

reduce our dependence on imports and thereby shorten the lead times through local sourcing.

To ensure that we engage with our customers even during the lockdown, we reached out to them digitally besides helping our dealers become active on the Google and Facebook pages. We monitored the strategic shifts in the market and adopted digital means to engage with customers. We stepped up our game in e-Commerce. We tapped the opportunities that arose because of the demand for Appliances with larger capacities, Work from Home furniture, Hospital furniture, UV-based sanitisation boxes, medical refrigerators and calibration services for critical medical equipment.

The entire economy was badly hit with a drop in GDP by 24% in Q1. The drop continued, with Q2 dropping by 7.3% after which the economy started recovering with positive Year on Year growth over the second half of the year. Our financial performance during the quarters reflected this stark reality. Q1 revenues were badly hit by the lockdown, dropping by 69% Year on Year. We had a better Q2 with a 15% Year on Year drop. The following two Quarters saw us grow revenues Year on Year by 19% which enabled us to deliver against our revenue plan for the year. Our focus on reducing fixed costs and controlling the working capital block also paid off. We closed the year, meeting both our revised revenue and profit plans (after adjusting for closure costs related to our battery distribution and vending services which were not in our original plan). Our cash collections led revenues for most of the year and we were able to reduce our Average Net Working Capital by Rs. 331 crore.

As far as the performance of our businesses is concerned, our B2C businesses such as Appliances, Interio, Locks and Home lockers exceeded the planned revenues. So did our GPE and Aerospace businesses which executed several prestigious projects for the nation. The Storage solutions business also delivered an excellent performance against plan by availing of business opportunities in the logistics and warehousing sector that came about due to unprecedented growth in e-Commerce.

Our Projects businesses, both Interio and Electrical & Electronics - were hit hard due to the restrictions imposed on working at sites and for the management of health safety issues, once they re-opened. However, Interiors has won record new business during the year which augurs well for the current year. The Interio products business trailed, given that investment in office furniture was a rarity with corporates choosing to mandate Work-from-Home for most of their employees. Our Security solutions business did better than expected in physical security products.

We have taken several learnings from the experience of the last year. The manner in which we have adopted remote working with digital tools gives us a ready reference point for initiating new initiatives for digital transformation. Our teams learnt to work across businesses and functions to address key challenges of cash management, market realities, regulatory issues and health and safety. The journey to re-configure our cost structure and reading the market movements in a deeper manner has been taken up at a new pace. We have kept our long-term objectives in mind and continued with our Strategic Investments and New Product Development activities.

With the new financial year underway and the markets in the throes of the second wave of the pandemic, we are better prepared to face the challenges ahead. We are confident that we will come out stronger”

“If the Members have any questions, in relation to the items of business of this Annual General Meeting, I request that the same may be put forward now and I shall answer them.”

Since there were no questions from any Members, Mr. J.N. Godrej asked the Members, “Do I take the Notice convening the Meeting as read?”

MRS. NYRIKA HOLKAR ANSWERED:

“Mr. Godrej, since we have received the Notice in advance and have read the same, we request you to call out only the Agenda Item nos. and the subject matter of the Resolutions of the Notice to be taken up for Members’ approval.”

MR. J.N. GODREJ FURTHER STATED:

“I will now proceed to take up the Ordinary and Special Business mentioned in the Notice of this Annual General Meeting.”

“In accordance with Section 109 of the Companies Act, 2013, I on my own motion and as a Member, demand that a poll be taken for all the items of business mentioned in the Notice of the Meeting.”

“Accordingly, the business mentioned in the Notice will be decided by way of a poll. Mr. Kalidas Vanjpe, Practising Company Secretary, has been appointed as the Scrutiniser to scrutinise the entire poll process in a fair and transparent manner and who is present in this Meeting.”

“As mentioned in the Notice of the Annual General Meeting, all the Resolutions are Ordinary Resolutions.”

“Ordinary Business:

Resolution No. 1- Relates to the adoption of the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.

Resolution No. 2- Relates to the appointment of Mr. A.B. Godrej (DIN: 00065964) who retires by rotation and being eligible offers himself for re-appointment.

Resolution No. 3- Relates to the appointment of Mrs. Nyrika Holkar (DIN: 07040425) who retires by rotation and being eligible offers herself for re-appointment.

Special Business:

Resolution No. 4- Relates to ratification of the remuneration payable to the cost auditors of the Company for the financial year 2021-22.”

“As stated in Note no. g) to the Notice of the Annual General Meeting, all the Members shall cast their votes on the Resolutions by sending an email at agm2021@godrej.com, from their email addresses registered with the Company.”

“All the Members present at this Meeting will receive an email containing the Poll Document from Mr. Bhavesh Khandhar, email ID- bkk@godrej.com and Members are requested to state clearly their preference as “A” for “ASSENT” or “D” for “DISSENT” for each of the 4 Ordinary Resolutions as mentioned in the table provided thereat.”

Resolution No. 1- “A” or “D”

Resolution No. 2- “A” or “D”

Resolution No. 3- “A” or “D”

Resolution No. 4- “A” or “D”

“Members are requested to cast their votes on the poll on or before 5 p.m. today i.e. Tuesday, 28th September, 2021 on the Poll Document sent on their respective email IDs. I request Mr. Kalidas Vanjpe, Scrutiniser to collate all the emails received from the Members on the designated email ID i.e. agm2021@godrej.com and submit his Report to me, to enable me to declare the result of the poll on the website of the Company.”

MR. J.N. GODREJ FURTHER STATED

“I thank the Members and Directors for attending this Meeting and state that this Meeting has concluded.”

MRS. NYRIKA HOLKAR STATED:

“I thank the Chairman, Mr. J.N. Godrej for conducting the Annual General Meeting.”