

TRANSCRIPT
OF THE
NINETY-SECOND ANNUAL GENERAL MEETING
OF THE MEMBERS OF
GODREJ & BOYCE MFG. CO. LTD.
HELD ON
WEDNESDAY, 13TH SEPTEMBER, 2023
AT 12:30 P.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 Ninety-Second Annual General Meeting of the Company. The Company is conducting this Annual General Meeting through video conferencing pursuant to the Circulars issued by the Ministry of Corporate Affairs”

“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.”

“All the Directors of the Company, are present at this Annual General 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. 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 Mr. Anil Verma, Executive Director & Chief Executive Officer to briefly touch upon the business performance of the Company for the financial year 2022-23.”

MR. A.G. VERMA STATED:

“We were optimistic while formulating our FY 2022-23 plans. COVID-19 was no longer disrupting economies with forced lockdowns. The Russian Ukraine War and other geopolitical tensions along with their implications on supply chain disruptions, elevation of commodity prices and global trade were “known knowns”. For India specifically, overall inflation driven by food inflation, was expected to moderate given the good monsoon forecasts and RBI’s anticipated monetary policy actions. The economy was expected to bounce back after the devastating COVID second wave seen in Q1 FY 2021-22. Government incentives such as Production Linked Incentive Scheme (‘PLI’) and investments in infrastructure were anticipated to crowd in private sector investments as envisaged in the budget. Our revenue plan of Rs. 15,000 crore (Year -on- Year growth of 27%) and profit plan of Rs. 500 crore (more than 3times of FY 2021-22 profit) although ambitious and stretched, appeared to be achievable.

We began FY 2022-23 well. Our Q1 performance was good, driven by favorable base effect. While inflation was high and commodity prices rose (which led us to take a decision on stocking up raw material), demand helped by a Covid free economy, saw us post revenues of Rs. 3,343 crore (Year -on- Year growth of 69%) and a bottom line that was, though negative, a Rs. 137 crore improvement over Q1 of FY 2021-22.

The next two quarters were challenging. Persistent, elevated inflation contracted real incomes and shrank discretionary spends. The rural areas continued to reel under high inflation and large unemployment as testified by the MNREGA numbers. Our price corrections to offset commodity prices increases were limited, by competitive pressures, in businesses like Appliances. We witnessed consumer resistance to the “Value For Money” equation in categories such as Home Furniture where we are market leaders. Commodity prices showed moderation but we could not take advantage because of the Raw Material inventories we carried. Private sector capex was limited to metals and energy sector. In Q2 of FY 2022-23, we posted Rs. 3,106 crore of revenue (Year -on -Year growth of 7%) largely driven by price increases but a bottom line that was Rs. 93 crore worse than Q2 of FY2021-22 because of higher material costs which depressed margins.

Expectations of a stellar Q3 of FY 2022-23 because of demand during festive and marriage season did not materialise. Sales traction was largely confined to premium products gaining favour amongst the affluent, largely in urban centres. Rural areas continued to be under stress and demand for mass category of products, value priced durables were low. We closed Q3 with revenue of Rs. 3,279 crore (Year-on-Year growth of 8%) and a profit of Rs. 19 crore (Year -on -Year de-growth of 56%) which were dampened by higher than budgeted commodity prices.

The sentiments turned slightly better in Q4, aided partly by the Union Budget announcements and moderating inflation. Consumer buying of Air Conditioners, Chest Freezers saw an uptick. Office equipment and industrial products did well with demand traction seen especially from Central and State Governments. A stupendous March helped us post our best ever Q4 revenue of Rs. 4,451 crore and profit of Rs. 280 crore helping us close FY 2022-23 with revenue of Rs. 14,179 crore (Year-on-Year growth of 20%) and profit of Rs. 212 crore (Year-on-Year growth of 81%).

While FY 2022-23 had its fair share of challenges, there were areas of good performance as given below:

- 11 of our 14 Business Units posted profits.
- PED posted its highest revenue ever and Aerospace clocked its highest ever revenues and profits.
- Storage Solutions and Material Handling businesses posted healthy profits despite poor demand for warehouses from E-Commerce players
- Security Solutions business continued to strengthen its turnaround story by posting its best profit since FY 2013-14, driven by private sector banks branch expansion and demand of Safes from Gold loan companies.
- Locks and Architectural Fittings business continues to perform well driven by tailwinds in the realty sector
- Electronics and Electricals, Lawkim and Construction Material businesses delivered on their plan

Going forward, we remain cautiously optimistic about FY 2023-24. We have taken cognisance of the possibility of a poor monsoon and the impact El Nino can have on rural income. However, we believe that moderating inflation will rev up personal consumption and drive-up private sector capex investments along with the Government of India capex and PLI incentives.

We have also internalised our learnings from FY2022-23 and our businesses have action plans to:

- **Handle volatile commodity prices through a mix of spot and contract period buys**
- **Monitor and keep fixed costs as planned.**
- **Step up our premium products play.**
- **Realise planned benefits firmed up with strategy consultants.**

Given the above we believe our FY 2023-24 revenue plan of Rs. 16,000 crore (Year-on-Year growth of 11%) and the profit plan of Rs. 450 crore (Year-on-Year growth of 112%) is achievable and it will be our endeavour to deliver on the above. We shall, as always, continue to make strategic investments in building manufacturing capacities, digital technologies and in building and enhancing capabilities of our talent.”

MR. J.N. GODREJ STATED:

“Thank you, Anil.”

“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, no questions were asked, Mr. J.N. Godrej continued with the proceedings of the Meeting and asked:

“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 STATED:

“I will now proceed to take up the Ordinary and Special Business mentioned in the Notice of this Annual General Meeting. I request all the Members to switch on their videos till the voting by show of hands is complete.”

1. **“Resolution No. 1: To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon”**

“May I request a proposer and seconder for this item?”

MRS. P.J. GODREJ STATED:

“I propose Resolution No. 1.”

MRS. S.G. CRISHNA STATED:

“I second the Resolution.”

MR. J.N. GODREJ STATED:

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

(ALL)

“Those against to raise their hands”.

(NONE)

“I declare the Resolution carried with requisite majority.”

2. **“Resolution No. 2: To appoint a Director in place of Mr. A.B. Godrej (DIN: 00065964), who retires by rotation and, being eligible, offers himself for re-appointment”**

“May I request a proposer and seconder for this item?”

MRS. S.G. CRISHNA STATED:

“I propose Resolution No. 2.”

MRS. NYRIKA HOLKAR STATED:

“I second the Resolution.”

MR. J.N. GODREJ STATED:

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

(ALL)

“Those against to raise their hands”.

(NONE)

“I declare the Resolution carried with requisite majority.”

3. **“Resolution No. 3: To appoint a Director in place of Mr. A.G. Verma (DIN: 02366334), who retires by rotation and, being eligible, offers himself for re-appointment”**

“May I request a proposer and seconder for this item?”

MRS. P.J. GODREJ STATED:

“I propose Resolution No. 3.”

MR. N.J. GODREJ STATED:

“I second the Resolution.”

MR. J.N. GODREJ STATED:

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

(ALL)

“Those against to raise their hands”.

(NONE)

“I declare the Resolution carried with requisite majority.”

4. “Resolution No. 4: To ratify the remuneration payable to the Cost Auditors for the financial year 2023-24”

“May I request a proposer and seconder for this item?”

MR. N.J. GODREJ STATED:

“I propose Resolution No. 4.”

MRS. F.C. BIERI STATED:

“I second the Resolution.”

MR. J.N. GODREJ STATED:

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

(ALL)

“Those against to raise their hands”.

(NONE)

“I declare the Resolution carried with requisite majority.”

MRS. F.C. BIERI STATED:

“I would like to thank Mr. J.N. Godrej, Chairman & Managing Director of the Company for conducting the Annual General Meeting.”