

hindware

home innovation limited

TRANSCRIPT OF THE 6TH ANNUAL GENERAL MEETING OF HINDWARE HOME INNOVATION LIMITED (FORMERLY KNOWN AS SOMANY HOME INNOVATION LIMITED) HELD ON WEDNESDAY, 27TH SEPTEMBER, 2023 AT 1:00 P.M. (IST) THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”)

PANELISTS:

Mr. Sandip Somany

Chairman and Non-Executive Director

Ms. Payal M Puri

Company Secretary and Sr. V.P. Group General Counsel

Mr. Naveen Malik

Chief Financial Officer

Mr. Sandeep Sikka

Group CFO

Mr. Salil Kumar Bhandari

Independent Director

Mr. Nand Gopal Khaitan

Independent Director

Ms. Anisha Motwani

Independent Director

Mr. Girdhari Lal Sultania

Non-Executive Non- Independent Director

Mr. Salil Kapoor

CEO

Mr. N K Lodha

Representative of M/s. Lodha & Co., Chartered Accountants (Statutory Auditor)

Ms. Monika Kohli

Representative of M/s. DMK Associates, Company Secretaries (Secretarial Auditor)

Mr. Deepak Bansal

Group Head-Internal Audit

Mr. Pravin Kumar Drolia

Representative of M/s. Drolia & Company, Scrutinizer

ATTENDEES:

Shareholders

Ms. Payal M Puri:

Good Afternoon to the Directors, Auditors and Shareholders, who have joined us today, for the 6th Annual General Meeting of Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) through Video Conferencing and Other Audio Video Mode.

I, am Payal M Puri, Company Secretary and Group General Counsel.

Shareholders may note that this Annual General Meeting is being held through video conferencing in accordance with provisions of the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI in this regard from time to time. The facility for joining this meeting through video conferencing or other audio visual means is made available for the shareholders on a first-come-first-serve basis.

Before commencing the official proceedings, I would like to inform that all attendees in this meeting are by default placed on mute mode to avoid any disturbances to ensure smooth conduct of the meeting.

As the time is already 1:02 P.M. and at present, we have 33 people attending the AGM through Webex, none of them are proxies, I thus hereby declare that the meeting has the presence of the requisite quorum and is in order to commence the proceedings of the meeting.

I now, request Mr. Sandip Somany, Chairman and Non-Executive Director of Hindware Home Innovation Limited to address the Directors, Auditors and Shareholders who have joined us today.

Mr. Sandip Somany:

Good Afternoon Everyone!

I, am Sandip Somany, Chairman and Non-Executive Director of Hindware Home Innovation Limited joining from Gurugram.

On behalf of the Board of Directors of your Company, welcome to the 6th Annual General Meeting of your Company. Thank you for joining us today.

Before I begin, I would like to introduce the Board Members present in the meeting along with the Management Team, Statutory Auditor, Internal Auditor and Secretarial Auditor.

We have with us:

1. To my left is Ms. Payal M Puri, Company Secretary and Group General Counsel
2. To my right is Mr. Naveen Malik, Chief Financial Officer
3. Next to him is Mr. Sandeep Sikka, Group CFO

In the Panel Display we have with us:

4. Mr. Salil Kumar Bhandari, Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee, joining from Gurugram
5. Mr. Nand Gopal Khaitan, Independent Director, joining from Kolkata
6. Ms. Anisha Motwani, Independent Director, joining from Gurugram
7. Mr. Girdhari Lal Sultania, Non-Executive Non-Independent Director, joining from Kolkata
8. Mr. Salil Kapoor, CEO, joining from Gurugram
9. Mr. N K Lodha, Lodha & Co., Statutory Auditor, joining from New Delhi
10. Ms. Monika Kohli, DMK Associates, Secretarial Auditor, joining from New Delhi
11. Mr. Deepak Bansal, Group Head, Internal Audit, joining from Gurugram
12. Mr. Pravin Kumar Drolia, Scrutinizer, joining from Kolkata

Now I would like to highlight the performance of the Company along with key initiatives taken by the Company during the year under review.

Despite challenging macro-economic conditions during the financial year, we delivered another strong performance for the year. Through consistent efforts, we strategically diversified our business portfolio, broadened our market reach, and explored innovative product lines. This expansion has not only increased our company's intrinsic value but also reduced associated risks.

In FY22-23, our consolidated revenue soared to Rs 2,873 crore, marking an impressive 25% growth compared to the prior year. Furthermore, our consolidated EBITDA surged to Rs 281 crore, reflecting a substantial year-on-year increase of 38%.

Our bathware business demonstrated robust growth, achieving a remarkable growth rate of 29% and generating revenue of Rs 1,532 crore. Our success is a result of our innovative products, strategic marketing, brand recognition, and diverse offerings. Our extensive distribution and retail network have also played a vital role in reaching a wide customer base.

We also achieved stellar performance in our plastic pipes and fittings brand, Truflo by Hindware, solidifying its position as the fastest-growing brand in its category. In FY 2022-23, Truflo achieved a revenue of Rs 785 crore, marking a 29% growth compared to the prior year. In the fourth quarter of the reviewed financial year, we initiated commercial production at our second manufacturing plant in Telangana, increasing our annual capacity to 48,000 MT. We're also investing in a greenfield manufacturing plant in Roorkee, Uttarakhand, to enhance our market reach.

Our consumer appliances division demonstrated resilience with an impressive 16% revenue growth, totaling Rs 501 crore. In January 2023, we, began trial production of water heaters and heating appliances at our state-of-the-art plant in Telangana, a joint venture with Group Atlantic of France.

Our customer-centric approach drives continuous innovation across product categories. We've strengthened our market presence by carefully curating unique product mixes in Building Products and Consumer Appliances. Our effective marketing and branding campaigns have solidified brand recognition, while our robust distribution and retail networks ensures easy access for our customers.

Committed to continuous improvement, we've embraced digitalization and data analytics, enhancing various aspects of our business. These initiatives are paving the way for our long-term success, ensuring operational excellence and the delivery of superior products and services to our customers.

In the dynamic business landscape, we stay focused on capitalizing on growth opportunities and managing potential challenges. Our growth strategy and confidence in India's potential set us on a path of expansion and success. I'm confident we'll create substantial stakeholder value as we move forward.

Before I conclude, I want to express my gratitude to our dedicated employees for their unwavering support. I'd also like to extend my thanks to all our stakeholders for their ongoing support.

Now I would like Mr. Naveen Malik, Chief Financial Officer of the Company to apprise you about the financial performance of the Company for the Financial Year 2022-23:

Mr. Naveen Malik:

Good Afternoon Mr. Chairman, Board Members, Shareholders and everyone in attendance.

The results for the year ended 31st March, 2023 have been prepared in compliance with the applicable Indian Accounting Standards (Ind AS) notified by the MCA.

- Hindware Home Innovation Limited has for the year ended 31st March 2023 reported consolidated revenue of around Rs.2,873 crore, representing a remarkable 25% increase compared to the previous year.
- Our consolidated EBITDA reached Rs 281 crore, a significant y-o-y increase of 38%.

These are some key highlights regarding our overall company performance. Now, we move to the segmental results:

1. Our Building Products Business which includes Bathware and Plastic Pipes and Fittings business, registered robust growth of 29% over FY 2021-22, generating revenue of Rs.2,316 crore
 - a. Our Bathware business experienced strong expansion with a growth rate of 29%, resulting in a revenue of Rs.1,532 crore.
 - b. The Plastic Pipes and Fittings business, continues to establish itself as the fastest-growing brand in its segment. In FY 2022-23, Truflo recorded a revenue of Rs.785 crore, registering a growth of 29% over the previous year.
2. Our consumer appliances business exhibited resilience, recording a remarkable 16% revenue growth, amounting to Rs.501 crore.

The consolidated Total Bank Debt of the Company as on 31st March 2023 was around Rs.712 crore with long term debt of around Rs.414 crore and net short term debt of Rs.298 crore.

Thank you for joining us today. I would like to now invite Mr. Sandip Somany, Chairman to continue with the proceeding of this meeting.

Mr. Sandip Somany:

Now, with your concurrence, I shall take the Notice of the 6th Annual General Meeting together with the financial statements as on 31st March, 2023 and Directors' Report be taken as read.

As per the Companies Act, 2013, and applicable Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the Auditors' Report and Secretarial Audit Report are required to be read only when there are qualifications or adverse observations or comments in the Reports.

I am happy to state that there are no qualifications, observations or comments in the Statutory Audit Report and Secretarial Audit Report.

The Company had provided remote e-voting facility through CDSL System. The remote e-voting period commenced at 9.00 A.M. on Sunday, 24th September, 2023 and ended on Tuesday, 26th September, 2023 at 5.00 P.M. Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata has been appointed as the Scrutinizer.

The results along with the report of Scrutinizer shall be sent to stock exchanges and also be uploaded on the Company's website and CDSL's website.

Now, I will announce the names of the Shareholders who have been registered as speakers for this meeting. The speaker shareholder, if present, will then be unmuted by the host. If the Shareholder is not able to join through video mode for any reason, then the shareholder can join through audio mode. The Shareholders are advised to use headphones for clear audio and switch off other background applications.

If there is any connectivity issue from speaker shareholders' end, we would request the next speaker shareholder to join the meeting. The speaker shareholder who could not join, can thus join later. We would like to request the speaker shareholder to limit their queries to 3 minutes. Please note that the queries which have been received in advance will only be replied to.

Now I would like the host to unmute Mr. Sujan Modak, Mr Modak?

Meeting Host:

He is not present in the meeting.

Mr. Sandip Somany:

Okay, Can you please unmute Ms. Lily Pradhan?

Meeting Host:

Sir, she is also not present.

Mr. Sandip Somany:

Can you unmute Mr. Yusuf Yunus Rangwala?

Meeting Host:

Sir, he is also not present in the meeting.

Mr. Sandip Somany:

Mr. Prabhjot Singh

Meeting Host:

Sir, he is not present in the meeting.

Mr. Sandip Somany:

Mr. Mahesh Kumar Bubna

Meeting Host:

Sir, he is also not present. Sir, Mr. Bubna has joined. Mr. Bubna has been unmuted.

Mr. Sandip Somany:

Okay, then kindly allow him to speak.

Mr. Mahesh Kumar Bubna:

Hello, Mahesh Kumar Bubna speaking.

Mr. Sandip Somany:

Mr. Bubna, we can hear you.

Mr. Mahesh Kumar Bubna:

Respected Chairman, Board of Directors, CFO, Company Secretary and other dignitaries and colleague members. I am the resident of the Calcutta city, speaking from Bengaluru. I did not receive your annual report and I am a senior citizen, I requested it on the day I received your email intimation for this annual general meeting.

One remark for the Board of Directors that we are not getting any dividend, this Company has a very good management so those who have invested their hard earned money in your Company, they also expect some dividend from your Company. Due to non- declaration of dividend the reputation of the Company can be effected. Can you hear me?

Mr. Sandip Somany:

Yes, we can hear you. You asked two questions. Can we give the answer now?

Mr. Mahesh Kumar Bubna:

You see I told you that I am not aware about the Company affairs from the last 3-4 years as I am not getting the hard copy of the annual report.

Mr. Sandip Somany:

I can't hear you. Mr. Bubna you're on mute, so as far as the dividend question is concerned we are paying a dividend of 25%, our Company is in growth mode so we are conserving some resources. We are hopeful as the years go by dividend will be increased.

Mr. Bubna as far as your matter regarding the Annual Report is concerned, the hard copy, I think I will let Payal answer that question.

Ms. Payal M Puri:

We always courier the hard copy of our Annual Reports whenever we receive the request from the shareholders so we have already couriered this copy to you this time as well. We will check and send it to you again if you have not received the same.

Mr. Sandeep Sikka:

Maybe it could have gone to your Kolkata Address.

Ms. Payal M Puri:

Yes, maybe there is some change in your current address. So, Mr. Bubna if you can share your Bengaluru address we can courier this copy to you there.

Mr. Sandip Somany:

Can we unmute Ms. Yashvee Kothari please?

Male Speaker attending on behalf of Ms. Yashvee Kothari:

Hello am I audible?

Mr. Sandip Somany:

Yes, you're audible.

Male Speaker attending on behalf of Ms. Yashvee Kothari:

Thankyou Chairman sir for giving me this opportunity. I'll be quick in asking my questions. So sir, please firstly brief us on the business with Hintastica Joint venture which Hindware Home Innovation Limited has and we have recently infused some funds in that JV as well and secondly we did a IPL sponsorship last year so what was the cost we incurred on it and I see it was more on the premium tiles segment. So how was that sponsorship has been for the Company?

Ms. Payal M Puri:

We have received request from a female shareholder, Ms. Yashvee Kothari for speaker registration but we understand from this call that you are not a female shareholder from whom the request was received.

Male Speaker attending on behalf of Ms. Yashvee Kothari:

Yes, I am joining on her behalf.

Ms. Payal M Puri:

I don't think you can join on her behalf. We do not have any proxy.

Ms. Yashvee Kothari:

Okay, fine.

Mr. Sandip Somany:

Now I would like to quickly summarize the businesses as stated in the Notice of 6th AGM.

Businesses as stated in the Notice of 6th AGM are as under:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2023, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31st March 2023 and Auditors' Report thereon. **(As Ordinary Resolution)**
2. To declare Dividend on Equity Shares for the year ended 31st March 2023. **(As Ordinary Resolution)**
3. To appoint a Director in place of Mr. Sandip Somany (DIN 00053597) who retires by rotation and, being eligible, offers himself for re-appointment. **(As Ordinary Resolution)**
4. To re-appoint M/s. Lodha & Co., as Statutory Auditors of the Company to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company and to fix their remuneration. **(As Ordinary Resolution)**

AS SPECIAL BUSINESS

5. To consider and fix the fees for delivery of documents requested by a member through a particular mode. **(As Ordinary Resolution)**

Members who have not cast their votes electronically and are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL. The e-voting on CDSL platform will continue to be available for the next 15 minutes. The combined results of e-voting and online voting at the meeting would be announced within 2 working days of conclusion of the meeting and the same would be intimated to Stock Exchanges and will be uploaded on the websites of the Company and CDSL.

I would like to thank the Panelists and Shareholders for attending and participating in this meeting. Please stay healthy and safe.

Thankyou very much.