

CHAIRMAN'S SPEECH

I have great pleasure in welcoming you all to the 63rd Annual General Meeting of your Company.

General Economic Scenario:

I would like to start my address on a positive note.

Now we have a stronger and stable government which paves way for bold reforms both in economic and political front.

The New Government has laid down a vision for India becoming a 5 trillion-dollar economy in 5 years and has spelt out the scale and the direction of investments to be made by the State, the private sector and partnerships across sectors.

Though delayed, the monsoon has been advancing in most part of the countries, and shortfall in the area covered by sowing is expected to be minimal.

I am confident that the proposed investments will take place in a timely manner paving way for all-round economic development and employment generation, resulting in increase in disposable income in the hands of large sections of the public in the coming years.

At the same time, there are valid concerns on agricultural stress and slowing down of demand, especially in the automobile and discretionary consumer sector since January 2019, which continued during the first quarter of this fiscal. Certain budgetary proposals did have a dampening effect of the stock-markets which may impact the investment climate. I hope these are passing clouds and that the economy will pick up during the rest of the FY paving way for a GDP growth in excess of 7%.

While the US- China trade war can have concerns at the global economic level, it may present an opportunity for India to enlarge its export base.

FINANCIAL YEAR 2018-19

The Annual Report for the year has already been circulated. This Annual Report contains both stand-alone and consolidated financials incorporating the business operations of the UK Subsidiaries.

Your company continued its double-digit growth rate by registering a growth of 12.7 % in top-line on stand-alone basis from Rs. 1746 crores to Rs. 1968 crores, an all-time high . All the regions and all the product categories registered growth both in volume and value terms.

Your Company also registered an all time high in operating EBITDA i.e. Rs.311 crores as compared to Rs.248 crores in the previous year.

Operating EBITDA margin expanded to 15.8% from 14.2% and Operating Return on Operating Capital Employed improved to 37.5% from 32.5%.

EPS was Rs.137.30 reflecting a growth of 28% over the previous year's comparable EPS (before exceptional income) of Rs.107.36.

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On a consolidated basis your Company crossed the milestone of Rs.2000 crores in sales achieving Rs.2107 crores as against the previous year sale of Rs.1871 crores.

'Cleaning Solutions' business launched in FY 2017-18 is progressing satisfactorily in the markets in which products under this category have been launched.

Rural market penetration has been impressive during this Financial Year as also growth in on-line channels.

Prestige Xclusive Channel has been expanded and we now have more than 565 stores in place.

Overall performance of your company was better than that of comparable peers and your company maintained or improved its market share in all key product categories.

DIVIDEND:

Your Directors have recommended maintaining a dividend of Rs.30 per share as on the expanded capital base after allotment bonus shares during May 2019. This entails an outflow of Rs.41.58 crores (PY Rs.34.66 Crores) by way of dividend and Rs.8.55 Crores(PY Rs.7.12 crores) by way of dividend distribution tax.

Finances:

On a stand-alone basis, your Company is debt-free and carried a free cash of around Rs. 244 Crores as on 31.3.2019 after incurring significant amounts of capital expenditure.

Brand Salience & Recognitions

Prestige brand continues to be recognized as the Super Brand in the Kitchen Segment. Various recognitions for your company's innovations and stature have been mentioned in the Annual Report. I am happy to share that Prestige is ranked as the 5th most trusted brand of India in the consumer durable industry.

As always, your company will be investing significant amounts in brand promotion and attractive campaigns.

Ranking:

Your Company is ranked within the Top 300 listed companies of India based on market capitalization.

CRISIL continues to rate your Company as 5/5 in terms of fundamentals.

Financial Year 2019-20

Given the general back drop of economic slowdown, your Company registered a marginal growth during the first quarter with improvement in operating profits.. Your Company has a positive outlook for the rest of the fiscal.

Long-term Strategy:

During the last general meeting I shared the new vision adopted by your Company –

“To Delight Home Makers with Innovation”

&

“ To make available Company’s products to Every Home

reflective of your Company’s strategic plans to enter segments adjacent to kitchen and enlarge its presence in the larger domain of ‘Home’ with continued focus on strengthening/expanding distribution through every possible channel.

In line with the Country’s vision of reaching 5 trillion-dollar milestone, your Company has drawn up plans to double the current sales with a healthy return on investments.

In line with the above long-term vision your Company is progressing satisfactorily on the capacity expansion front. During the current financial year, expanded capacities in Gujarat and Coimbatore will become operational.

Inorganic opportunities are also continuously being evaluated.

Significant investments are being made in competency and leadership development .

I will be sharing with you the progress being made and steps being taken to realize the above goals.

CONCLUSION

I acknowledge the support received from the shareholders, employees, channel partners and banks in putting the Company into the track of sustainable growth.

