

Phani Mangipudi: Good afternoon, I am Mr. Phani Mangipudi, the company's secretary of VST Industries Limited, and I welcome you all to the VST's 90th annual general meeting. Before the Chairman, Mr. Naresh Sethi starts conducting the meeting, I would like you all to note certain points regarding the participation in this AGM. The facility of attending the AGM is being made available for shareholders on a first come first serve basis. All shareholders who have joined this meeting will be by default placed on a mute mode. This is to avoid disturbance due to background noise and for ensuring a seamless conduct of the meeting. Once the question and answer session starts, the moderator will announce the names of the shareholders who have registered as Speaker shareholders one by one. The speaker shareholder will be unmuted to start speaking, if the shareholder is not able to join through video for any reason, the shareholder can speak through audio mode. While speaking, we would request the speakers to use the earphones so that it is clearly audible, if there are connectivity issues at the speakers, we will ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak towards the end. We would like to request shareholders to kindly limit the speech to three minutes. During the AGM, if shareholders face any technical issue, they may contact the helpline number mentioned in the notice of the AGM. Thank you very much.

Mr. Naresh Kumar Sethi: Ladies and gentlemen, I am delighted to welcome you all to the second virtual meeting of shareholders of the company being conducted through video conference or other audio visual means in compliance with the directions of the Ministry of Corporate Affairs. I am participating in this meeting from London. I have been advised by the company Secretary that the requisite quorum as required under law is present and the meeting may commence. I now call the meeting to order. Before I begin my address, let me introduce and welcome the board members and the management team who will join the meeting. Mr. S Thirumalai is a non executive director of your company. He is joining this meeting from Hyderabad.

Unknown Speaker: Gibberish

Mr. Naresh Kumar Sethi: Ms. Rama Bijapurkar is an independent non executive director of your company. She is the chairperson of the nomination and remuneration committee and the stakeholders relationship committee. She is participating from Mumbai. Mr. Sudip Bandyopadhyay

is an independent non executive director of your company. He the chairman of the audit and risk management committee is participating from Mumbai. Mr. Rajiv Gulati is an independent non executive director of your company. He is chairman of the CSR and strategy committee. He is joining from Gurgaon. I would like to welcome a new member on the board Mr. Aditya Deb Goptu, who joined us as the Managing Director and CEO of the company. He is participating from Hyderabad. From the management team, Mr. Phani K Mangipudi, the company secretary and head of legal and secretarial and Mr. Anish Gupta, the chief finance officer are joining this meeting from Hyderabad. The participation of the partners are authorized representatives of the statutory auditors, and the secretarial auditor is **not**. Proceed to my speech now, the shareholders. I welcome you all to this meeting with the hope that you and your extended communities have stayed safe through **challenging** periods in the recent past. On our 90th year since inception, we have optimism for the future and I am deeply grateful to all our stakeholders who have supported

us throughout this journey. Covid 19 continue to have impact on the world economy, leading to a global GDP contraction of about 3.3%. Correspondingly, India's GDP is expected to have declined by about 7.3% during the full year 2020-21. Given the concerted efforts of the government and the RBI, there is reason for optimism in the medium term. Moving to financial and operational performance full year 2020-21 was a milestone year as we made visible progress across our strategic objectives. The company delivered a strong performance by growing revenues in a declining volume environment, reflecting business resilience and future potential for growth on the strength of a diversified brand portfolio. Our secret revenues at rupees 1272 crores was up by 13% compared to last year at 1130 crores. We grew our net comprehensive income by 4.2% to rupees 312 crores, which is the highest ever in the history of our company. This performance is especially commendable, given a 16% decline in volumes mainly due to pandemic driven shutdowns in various parts of the country during the year. Mr. Aditya Deb Gooptu took charge as the Managing Director and CEO of the company in December 2020. We are pleased to have him lead the organisation and add value with his rich experience in tobacco and consumer goods category. We look forward to his leadership to position VST for future growth and success. Talking about trends that dominating the industry, illegal cigarette industry witness pandemic led volume impact, taxation challenges remain, with non duty paid cigarettes continuing to benefit from large price distortion. The illicit cigarette market has witnessed an upward movement over the years and continues to be among the top five items illegally traded in the country, with India being among the largest illegal cigarette markets in the world to battle such illicit trade, we are partnering with industry to identify inter governmental efforts and public private alliances in adopting appropriate measures like sensible taxation leading to a holistic strategy. We also engage with key stakeholders for evidence based non discriminatory taxation and regulations that safeguard farmer livelihoods and the legal industry while balancing economic interests and tobacco control measures. But our covid 19 response, we prioritize the health and safety of our people above everything else this year and complied with government guidelines and regulations to ensure that safety is never compromised. The transition to work from home mode, and providing continuous support for our people stood testimony to our agility and dedication to safety and business continuity. A special programme VST cares was implemented, which included doctor's consultation, additional medical policy coverage and carrying out vaccination programmes for our employees and their families. We contributed rupees 100 lakhs to Telangana state Disaster Management Authority for supporting COVID-19 relief activities. Our organisation also support the setting up of a medical oxygen generation and storage facility through a charitable trust for distribution and supply of oxygen.

Our commitment to society is strengthened by the implementation of the sixth phase of grammar layer VST industries programme. Under this we undertook installation of 400 solar streetlights and building 775 Smart toilets around the Jogulamba Gadwal district of Telangana. In recognition to our sustainability efforts, we received a commendation certificate for safety innovation from the Institute of engineers New Delhi, in addition to the ICBC gold rating for our two prime facility from CII Hyderabad. As a part of our commitment to AHS we are certified by some of the best industry bodies such as ISO 14001 2015 and ISO 45001 2018. We have built a strong record on the environmental, social and governance pro performance and will continue to strengthen it in the coming years. People First, as an organisation we continue to remain committed to Employee welfare and career progression, the development, engagement and recognition initiatives. As we move into a new fiscal year

in challenging conditions, I would like to thank my fellow board members, and the management team for leading the organisation through these unprecedented times. I am grateful to our stakeholders, including our employees, business and supply chain partners, farmers and above all, to you our valuable shareholders for reposing your continued faith in our vision and being a constant part of this exciting journey of winning consistently.

Unknown Speaker: Gibberish

Mr.Naresh Kumar Sethi: The registers as required under the Companies Act 2013 are available for inspection by any member of the company. Members seeking to inspect such documents can send their requests to investors at vstind.com and will be made available to them. Moving to the next agenda item, the statutory auditors have given an unqualified report on the financials of the company. Secretarial auditor has also given an unqualified report. Since there are no qualifications in the auditor's reports. There is no requirement to read the same. Moving to the next agenda item. We will now open the session for the questions and answers. We will request those of you who have registered

Unknown Speaker: Gibberish

Mr.Naresh Kumar Sethi: to speak to adhere to instructions issued by the company secretary at the beginning of the meeting, we will answer to the questions raised to the best of our knowledge and belief towards the end of the Q and A session.

Moderator: Thank you Chairman Sir, this is your moderator. Now we are going to call upon all the shareholders one by one. First we will call upon the first shareholder and I will tell the next speaker also to be ready. Our first speaker is **Praful Chawla** and the after Mr. **Praful Chawla, Indrajeet Chawla** is the next speaker. Now request **Mr. Praful Chawla** to unmute yourself, switch on your camera and speak. Thank you.

Praful Chawla: सर मेरी आवाज आ रही है सर.

Moderator: बिल्कुल आ रही है सर आप बोलिए सर. Thank you.

Unknown Speaker: Gibberish.

Praful Chawla: सर वीडियो भी चालू हुआ सर.
Hello. Hello.

Moderator: नहीं सर आपका वीडियो चालू नहीं है अभी आपका वीडियो चालू नहीं है सर.

Praful Chawla: Ok Sir, हुआ था ठीक है, नहीं हुआ, हुआ परवाह नहीं मेरी आवाज तो आ रही है ना सर.

Moderator: बिल्कुल आ रही है सर.

Praful Chawla: First तो मैं 9th decade में कंपनी प्रवेश कर रही है उसके लिए बहुत-बहुत शुभकामनाएं देता हूँ यह कंपनी 90 AGM कर रही है इसके लिए मेरी बहुत-बहुत शुभकामनाएं सर और 90 years की AGM में first time company secretarial department ने company का AGM report का जो first page भी change किया और company के AGM report में भी बहुत सारे changes देखने को मिला है इसके लिए secretarial department को धन्यवाद देता हूँ और सर खास तौर पर यह कहना चाहता हूँ कि कोरोनावायरस के टाइम पर company ने गवर्नमेंट को अच्छी help की है और भी अच्छा है हुआ है सब तरह से कोरोनावायरस time में कंपनी ने बहुत अच्छा काम किया है तो इसके लिए धन्यवाद है सर. सर खास करके अपना रि सर्च एंड डेवलपमेंट सेंटर कुछ नए प्रोडक्ट लेकर आती है जो अपने प्रोडक्ट है वहां चलता रहता है और बिजनेस होता रहता है तो इसके बारे में बताएंगे कि कुछ नया प्रोडक्ट लाई है तो बिजनेस बढ़ता है ऐसा कुछ हो सकता है या नहीं हो सकता है सर खासतौर पर मैं CSR के बारे में यह कहना चाहता हूँ कि मीरा बाई चानू ने सिल्वर मेडल लेकर आई तो कंपनी की तरफ से इस को विश भी नहीं किया गया और कुछ अमाउंट भी नहीं दिया गया ऐसा काम करें तो सर दूसरे भी जो खेल में आगे बढ़ते हैं उस को प्रोत्साहन मिलेगा और दिखेगा की बहुत सी कंपनी अपने को हेल्प कर रही हैं मदद कर रही है प्राइस देती है तो मेरा मानना है कि आपने कुछ भी एक लाख दो लाख या ₹500000 इसको इनाम भी देना चाहिए और इस को शुभकामना देना चाहिए और सर हमारा 90 वर्ष में जब से गवर्नमेंट इंडिया की तरफ से CRS ने खर्चा करने के लिए बोला गया है तब से आप कुछ खर्चा करते आ रहे हैं और मैंने देखा है कि CRS जो भी एजुकेशन मिलता है यानी जो भी स्कूल में मिलता है कितने लोग CA बने, CS बने IPS ऑफिसर बने या कलेक्टर बने या डॉक्टर बने उसके बारे में कुछ जानकारी हो तो बताइएगा. सर अभी तक हो गया तो हो गया नेक्स्ट में ऐसा कहना चाहता हूँ कि आप ऐसा ऐसा किया करें ऐसा जो लोग खेलकूद में आगे है उसको हेल्प नहीं मिलती है और पीछे रह जाते हैं ऐसे लोगों को हेल्प कर के आने वाले ओलंपिक में या इसकी नेक्स्ट उस के बाद का ओलंपिक में VST की तरफ से गोल्ड मेडल्स सिल्वर मेडल या कुछ भी मेडल लेकर आए हैं वह प्लेयर बोलेगा कि मेरे को VST की तरफ से मदद मिली है और मैं यह काम कर सका ऐसा कुछ करें सर रिटायर आर्मी को ज्यादा से ज्यादा job दें ताकि वह देश की रक्षा के लिए जा सके और साथ में जो शहीद हुए सैनिक है उसकी फैमिली को भी मदद करें और सर जो भी स्कूल में अपना NGO service दिया जाता है education के साथसाथ टेक्निकल भी प्रोग्राम रखें और जो बच्चे हैं प्लंबर है मिस्त्री है ऐसे जो टेक्निकल काम है वह भी सिखाया जाए ताकि फ्यूचर में उन्हें एजुकेशन में जॉब नहीं मिले तो यह काम भी सीखा हुआ है तो आगे बढ़कर रोजी रोटी कमा सके एड्युकेशन तो रोजी रोटी के लिए करते हैं यह भी काम सीखना चाहिए उसको ऐसा मानने है धन्यवाद सर.

Moderator: Thank you Praful Chawla Ji. Now our next speaker is Mr. Inderjeet Chawla.

Unknown Speaker: Not available sir.

Moderator: Thank you, sir. Now we're calling Mr. Bharat Shah and after Mr. Bharat Shah, Mr. Kamal Kishore Javat. Mr. Bharat Shah kindly unmute yourself and,

Mr. Bharat Shah: Yes

Moderator: and speak. yes Sir. Thank you.

Mr. Bharat Shah: I am audible.

Moderator: Yes, sir. Yes, sir. Bharat Bhai, you are audible.

Mr. Bharat Shah: Yeah, This video is not only Okay. Mr. Chairman, you have given good presentation today. Sir, again, I would like to welcome our new MD CEO Mr. Aditya Deb Gooptu Gooptu Sir, and we hope in under Mr. Chairman and new MD and independent board of directors our company will scale new heights in coming years. But more surprising was in a Pandemic year our results are excellent and dividends also record dividend and this is one of the few few few board of independent board under the chairman and managerial (not clear) to professional board 100% where public shareholding is there we are doing excellent work and we hope actually we are not diversify the unrelated field we are a single tobacco field. Yeah, I know , I have attended lots of AGM of VST lots of shareholders diversified diversify but what whatever returns shareholders and stakeholders has been given has been given in Tobacco business and growth will continue this business and community. Thank you.

Moderator: Thank you Bharat Bhai. Our next speaker is Mr. Kamal Kishore javat Saheb

Mr. Kamal Kishore: मेरा आवाज आ रहा है सर हां मेरा आवाज आ रहा है सर?

Moderator: बिल्कुल आ रहा है सर.

Mr. Kamal Kishore: ok, ok, ok sir. ok. Chairman sir और managing director हमारे Aditya deb Guptoo जी को हमारा नमस्कार और all directors सबको मेरा मेरा नमस्कार आज हमारे AGM second covid कोविड-19 मे हमारे को video conference देखने को मिल रहा है और every year ऐसे ही videoconference रखिए साहिब बाहर के दिन लोग आते हैं attend करने को हमारे को भी सुनने को मिलता है और अभी हमें बैलेंस शीट पूरा self देखा है पूरा अच्छा different balance sheet दिखा है साहब जितनी तारीफ करें उतना कम है. Page no. 1 मैं जो आपने first highlight जो डाली है लास्ट ईयर dividend103rs था आपके dividend मैं भी improvement हुआ है बहुत बड़ी खुशी की बात है. Last year 10 years से balance sheet तो every year अपना company improvement है और हमको बहुत बड़ी खुशी की बात है और मैं company मैं 20 साल से ऊपर से कंपनी का शेयर होल्डर हूं साहिब और मैं एक ही चीज बोल रहा हूं साहब आज 9 साल हो गए कंपनी का ए वरी ईयर हम बोनस और स्टॉक लिक्विड पूछते हैं,ok आप बोनस मत दीजिए कम से कम स्टॉक लिक्विड करिए तो मार्केट में हमारा शेयर लिक्विडिटी बढ़ जाता है तो हमारे को उसमें एक advantage मिलता है लिक्विडिटी उसका बहुत काम चलता है,bonus तो आपकी इच्छा है दो या मत दो पर स्टॉक लिक्विड करने से लिक्विडिटी बढ़ जाता है कम से कम 2 rs या 5 rs. spread up करने से बहुत अच्छा रहेगा और sir, secretarial department का response हमको अच्छा मिला है कभी भी every year कभी भी कुछ problem रहता है और हमारा डिविडेंड जो भी same day, same day हमारे को काम हो जाता है secretarial department और finance department जो भी है हमारे को अच्छा response देते हैं तो हमारा काम हमारे को करने का जरूरत ही नहीं, हमारे phone पर mail पर ही हमारा काम हो जाता है तो हमारे secretarial

department को और जो हमारे balance sheet इतना अच्छा प्रिंट है और इतना साफ सुथरा है every year clean

clean है और साहब आपका CSR जो भी ऐसी जगह पर आप ध्यान लगाए जहां कोई आदमी वहां पहुंच न ही सकता है वह वहां पर आपका CSR का अच्छा कंपनी का नाम होगा फिर वह जगह पर कंपनी का VST नाम लगाकर कुछ तो भी करे तो एक कंपनी का नाम होगा कि यह VST के तरफ से बहुत अच्छे गरीब लोगों को योगदान मिला है उसके बाद फिर मैं इतना बोलना चाहता हूं और आप directors को मेरा नमस्कार धन्यवाद साहब.

Moderator: Thank you comment Kamal Kishore sir. Our next speaker Mr. Suresh Chand Jain and after Suresh chand Jain saheb, Mr. Shrikant inaudible should be ready.

Mr.Suresh: आवाज आ रहा है सर?

Moderator: जी बिल्कुल आ रही है सर. आप बोलिए

Mr.Suresh: आदरणीय chairmansir, उपस्थित सभी डायरेक्टर गन और शेयर होल्डर साथियों, साहब आपका चेयरमैन स्पीच सुनके मुझे बहुत ही अच्छा लगा short and sweet क्योंकि इससे पहले मैंने देखा था कि कम से कम आधा आधा घंटा, एक-एक घंटा चेयरमैन स्पीच रहता था उसके बाद में लंच रहता था, फिर meeting meeting होती थी तो सर आपने बहुत ही छोटी और बहुत ही अच्छा और बहुत ही सुंदर जो सरल भाषा के अंदर आपका चेयरमैन स्पीच जो हमें मिला और हमने सुना है इसके लिए आपको तथा आपके टीम को मैं अपनी ओर से तथा शेयर होल्डर की तरफ से बहुत धन्यवाद देता हूं तथा आप लोगों का अभिनंदन करता हूं सर आपने जो dividend 114 rs. दिए हैं मैं समझता हूं कि मेरे पास जो भी कम से कम 300 400 जो शेयर है उसके अंदर आज तक कम से कम आपका ही डिविडेंड मुझे ज्यादा से ज्यादा मिला है इसलिए इसलिए भी कि कंपनी के चेयरमैन साहब आपको मैं धन्यवाद की आपने बहुत ही अच्छा inaudible हमें दिया हमें प्राप्त हुआ है सर सर और मैं आपको तथा आपके टीम को 90 साल के ऊपर स्वागत तथा अभिनंदन करना चाहता था, क्योंकि.. सुंदर सी माला के साथ पर कुछ कारणवश कोविड-19 के कारण आपका स्वागत हम नहीं कर सके इसका रंज रहता है सर सर किशोर जी ने कहा था कि इसी प्रकार videoconference रखे और मैं उसका अभिनंदन करता हूं क्योंकि कई लोग मुंबई से कई लोग कलकत्ता से और मद्रास से कई लोगों को सुनने का और तथा विचारों का आदान-प्रदान होता है इसलिए मैं चाहता हूं कि इसी प्रकार आप AGM रखते रहे और हम जहां कहीं भी हो आज हम inaudible है और मैं वहां से बात कर रहा हूं कुछ प्रोग्राम के अंदर आया था और बाहर निकल कर मैं आपका मीटिंग अटेंड कर सका हूं अगर physical रहता तो पहुंचने में असुविधा होती थी इसलिए मैं चाहता हूं इसी प्रकार वीडियो कॉन्फ्रेंस के तरफ आप रखें और एक एक बार फिर आप लोगों का अभिनंदन तथा स्वागत है कि आपने कंपनी को अपनेअपने कंपनी को अच्छी तरह से track के ऊपर लेकर चला और इसी प्रकार मैं secretarialdepartment को भी धन्यवाद देता हूं कि उन्होंने हमें timeto time हमें whatsapp द्वारा हमें कंपनी की जानकारी प्राप्त की और हमें रजिस्ट्रेशन करने का मौका मिला और इसी विचारों के साथ मैं अपना अपना अपने विचारों को विराम देता हूं और इसी प्रकार आप कार्य कर रही हैं मैं भगवान से प्रार्थना करता हूं आप दिन दुगुनी रात चौगुनी इसी प्रकार तरक्की करते रहे धन्यवाद सर.

Moderator: Thank you Jain (Jayant) Sir. Now our next speaker is Mr. Shrikant inaudible and after Mr. Shrikant inaudible Mr. Mustafa Mahazir kelwala. and next speaker Mr. Shrikant inaudible.

Mr. Shrikant: नमस्ते सर,आवाज आ रहा है सर?

Moderator: जी बिल्कुल आ रही है .

Mr. Shrikant: Sir नमस्ते Sir Good afternoon

अपना जो second time जो AGM हो रहा है उसके लिए बहुत-बहुत धन्यवाद और साथ में अपने new MD,CEO आदित्य साहब को भी नमस्कार जो उनके guidance से हमें कुछ अच्छा आगे तरक्की और कंपनी करेगी और जैसा आप के chairmanspeech में बताया गया है कि यह pandemic में भी अपना result और अच्छा आया है और आपने आगरा का planning के अंदर जो कुछ न्यू प्रोडक्ट launch कर रहे हैं बताइए और अपना domesticsales पे कितना हुआ यह pandemic में कितना improve हुआ और foreign में कैसा हुआ उसके बारे में बताएं और मेरे साथी shareholder बोले हैं कि stock split करने का है, stocksplit करे तो सर इसमें हमें liquidity भी होता है और volume भी बढ़ते रहता है सर तो कुछ stock split करने का विचार रखिए सर और साथ में हम secretarial department और inaudible को धन्यवाद देते हैं बहुतबहुत धन्यवाद और साथ में हम सुधीर उपाध्याय कि हमेशा पूरा guidance देखते हैं कि जो reanalysis करते हैं वह shares के बारे में उनको भी हम धन्यवाद देते हैं सुधीर साहब के लिए Thank you sir.

Moderator: Thank you, sir. And now our next speaker is Mr. Mustafa Mahazir kelwala. Thank you.

Mr. Mustafa Mahazir kelwala: Yes. Am I audible?

Moderator: Yes, sir, you are audible. Thank you. Yeah.

Mr. Mustafa: Good afternoon to all stakeholders of VST. My name is Mustafa kelwala and I am a shareholder from Pune. I have sent a list of questions in advance I hope the board can reply to the same. Any regular reader of our annual reports cannot help but notice, the more colourful our company's annual report gets, the lower the payout becomes for its shareholders. Our official dividend policy is of a 70% payout, which would have resulted in at least 150 rupees dividend this year. However, it is lower by 25%. Last year also it was lower by 33% a total shortfall of 85 rupees a share or 130 crore rupees, which belongs to the shareholders. Last year, our honourable Chairman cited the pandemic for the reduced payout. However, companies of a similar caliber to us have actually increased their payout in order to lessen the hardships that their minority shareholders would be facing. In this context, if one looks at page 56 of our latest annual report, which highlights the remuneration paid to our directors is quite contradictory. While our board except expects and asks extreme austerity from its shareholders and dividends, when it comes to their own remuneration, that prudence is totally missing. Starting with our honourable Chairman, whose remuneration has increased by 22%. The rest of the board has seen increases ranging from Mr. [Thirumalai](#) is 18% to a full 51% for Mr. Gulati. Our honourable board seems to be immune from the vicissitudes of the pandemic, while its shareholders pay the full price. If our if one analyses

our company's 10 year performance of profits, our profits have barely increased from 142 crores to 310 crores a meager 8% CAGR and its dividends have risen at an even lower CAGR of 6% from 65 rupees a share 114 rupees a share. Now, in the same 10 year period, Mr. [Thirumalai](#) has seen his remuneration increased from eight and a half lakh rupees per annum to 93 lakh rupees per annum and industry beating CAGR of 27%. I wonder what the matrix for the remuneration the remuneration committee uses to decide its own pay. Now, unless the deserving are paid, well, why would they work? That's the natural reply one would expect, however, our Ex MD, under whose leadership total became the largest capsule brand, and for which our board seems to be generously rewarding themselves was lost to our biggest rival. He's heading that tobacco division more or less. Now, just because both companies are owned by British American Tobacco, does it pass the corporate governance

Moderator: they're not able to hear?

Mr. Mustafa: Are you able to hear now? No explanation on these crucial points are provided on any of the colourful pages of our report. Finally, as far as capital allocation is concerned, due to unnecessary holding of cash, our ROC has fallen from 50% in 2012 to 33% currently, Warren Buffett has wisely said, If earnings have been unwisely retained, it is likely that the managers too have been unwisely retained in order that our current managers don't qualify for this dire epithet. I would humbly suggest our company starts paying interim dividends and with the right payout. Thank you for your patient listening.

Moderator: Thank you, Mr. Mustafa. Now I request **Mr. Dikshik Naredi** kindly unmute yourself, switch on your camera and speak Thank you.

Mr, I cannot hear Mr. Dikshit. So We are moving to our next speaker Mr. Rajesh K Chainan, Mr. Rajesh Chainani. Sorry sir we are not getting any input from Mr. K Mr. Rajesh. Now we are moving to our next speaker Shri Gopal P Maheshwari. Shri Gopal P Maheshwari. Sorry Sir, we are not getting any input from him. Our next speaker is Dr. Arun Kumar Gopanna. Mr. Arun Kumar gopanna Mr. Arun Kumar Gopanna are you able to hear me please unmute yourself and speak.

Mr. Arun Kumar: Second one. Hello.

Moderator: Yeah, Mr. Arun kumar?

Mr. Arun Kumar: Is it okay now?

Moderator: Yes, sir. It is okay. Please carry on.

Mr. Arun Kumar: Good afternoon everybody. I used to visit VST 50 years ago, in the year 1971. I think Mr. Lal was the chief then and now I welcome Aditya Deb Gooptu as MD I am sure he will add value which is rich experience. He complements the management for the solar streetlights recycling to reduce waste, as you have an obligation to live in harmony with nature, the "E" part of EHG of environment for supporting communities driven and work in regardless of CSR. There is part of the EHS for Society and the governance for maintaining the production in spite of difficulties and offering support to the farmers for quality tobacco with low pesticide residue level and low tsma (not clear) that is the "G" part of the

EHG of governance and the EHG is complete here. My questions, Did we lose any staff? So what do we offer to the loved ones? world population we are on 10 billion by 2050. What is the VST R&D budget for innovation? For unique blends with innovative capsule filters. There will be seismic shift and India's clean energy pursuit to go net carbon zero head of target set by our world energy majors or the VST plants. What is the share of legal and illegal cigarette business in India as India is the largest illegal cigarette makers How will VST increase jobs stream to fulfill 65 per an Indian dream given agri is the largest employer is seen. Lastly, ironically I have been working with a transdermal drug delivery nicotine Skin Patches company after the lock doon in conclusion, I wish VSG all the best Thank you.

Moderator: Thank you sir. Our next speaker is Mr. Santosh Kumar Shroff, May I request Mr. Santosh Kumar Shroff to kindly unmute yourself, switch on your camera if it is available and then you speak Thank you

Mr. Santosh: नमस्कार मेरे को कैमरा दीजिए ना सर.

Moderator: सर आपको अपना यहां चालू करना पड़ेगा.

Mr. Santosh: नहीं तो आप access देंगे तो मैं चालू कब आना सर. आप access दीजिए ना, one minute हां one minute, हां मिला.

Moderator: OK

Mr. Santosh: हां जी नमस्कार माननीय अध्यक्ष जी, उपस्थित सदस्य गण और मेरे शेयर होल्डर भाइयों और बहनों मैं santhosh kumar shroff कोलकाता से बोल रहा हूं, sir आप सभी को नमस्कार sir, आशा करता हूं जितने director है जितने भी employee है जितने भी stakeholder है वह और उनकी फैमिली covid period के अंदर में सुरक्षित और अच्छे स्वास्थ्य में हो. सर मैं हिंदी में बोल रहा हूं इंग्लिश में एक लेटर लिख कर secretary साहब को शायद आपकी टेबल पर आ गया होगा सर मैं हिंदी में बोल रहा हूं तो अंग्रेजी में देख लीजिए. sir sir cost cutting के बारे में क्या step है सर, जिससे अपने business operations कम से कम loss हो और यह अपने covid का impact अपने business operations कम से कम हो. इसके लिए आपने क्या step उठाया है सर यह अपना balancesheet (not clear) file है उसका क्या plan है इसके ऊपर आप बताने का कष्ट करेंगे सर और यह 2021-22 के लिए अपना रिसर्च एंड डेवलपमेंट के लिए क्या budget आपने बना कर रखा है इसके बारे में बताने का कष्ट करिए सर. यह सर जो अपनी फैक्ट्री या है इनके ऊपर में जो solar panel लगाने का roof के ऊपर क्या plan है सर और यह जो अपना fresh water जो है इसको कम से कम use किया जाए, recycle करके reuse करने के लिए क्या step अपने उठाया है इसके बारे में बताने की चेष्टा करिए सर. सर मैं चाहता था single use plastic को reuse करने के लिए क्या management ने step उठाया है यह बताने का कष्ट करेंगे सर. कितने percent employees ने work from home कर रहे है यह बताने का कष्ट करिएगा. और जो work from home कर रहे हैं उनको क्या facility आपने provide की company ने वह बताइएगा सर. सर अपने total employees 780 है plus casual employees भी कुछ है इनका जो आपके पास figure है और genderwise figure अगर हो तो बताने की चेष्टा करिएगा सर. सर अपना total employee 780 और casual employee है इसमें से कितने percent को vaccine लग गई है उनको उनके family को सर और उन्होंने अगर किसी private hospital में लगाई है तो उसके लिए क्या company क्या reimburse किया है तो बताने का कष्ट करिएगा सर. एक आपसे रिक्वेस्ट है सर यह जो आपने मुझे एनुअल रिपोर्ट भेजी है यह दो पेज पीडीएफ में भेजी है सर इसको सिंगल पेज में भेजिए यह लैपटॉप या मोबाइल में खोलने से पढ़ी नहीं जाती next आपसे रिक्वेस्ट है सिंगल पेज में भेजिए आपको

कोई तकलीफ नहीं है email से भेजना है तो सिंगल फेज में आप भेज सकते हैं अदर वाइज क्या बहुत प्रॉब्लम होती है और बहुत से प्रश्न जो मन में है वह मैं आपसे पूछ नहीं सकता सर. एक सर मैं लास्ट आपसे रिक्वेस्ट है सर एक आपने disable employee एक भी नहीं है सर बड़े दुख की बात है सर मैं चाहूंगा सर कम से कम एक तो disable employee अपनी कंपनी में जरूर हो क्योंकि यह भी जैसे अपने female employee भी है क्योंकि यह भी अच्छा job करते हैं सर और आजकल के यह लोग paramedical, Olympics के अंदर gold medal भी लाते हैं और यहां तक कि एवरेस्ट पर भी चढ़ाई करते हैं सर तो मैं चाहूंगा कि सर एक आपसे रिक्वेस्ट है सर यह जो आपने मुझे एनुअल रिपोर्ट भेजी है यह दो पेज पीडीएफ में भेजी है सर इसको सिंगल पेज में भेजिए यह लैपटॉप या मोबाइल में खोलने से पढ़ी नहीं जाती next आपसे रिक्वेस्ट है सिंगल पेज में भेजिए आपको कोई तकलीफ नहीं है email से भेजना है तो सिंगल फेज में आप भेज सकते हैं अदर वाइज क्या बहुत प्रॉब्लम होती है और बहुत से प्रश्न जो मन में है वह मैं आपसे पूछ नहीं सकता सर. सर और disable ISC मैं first भी आते हैं सर आपने नाम सुना होगा **inaudible** madam first आई थी इसके अलावा मैं ज्यादा समय नहीं लूंगा सर आपके और आपके, 1 मिनट सर इससे ज्यादा मैं समय नहीं लूंगा सर, आपके जितने डायरेक्टर से जितने भी कर्मचारी है, जितने भी हमारे स्टेकहोल्डर है भगवान से प्रार्थना करता हूं 2021 का financial year आपकी और आपके कंपनी के लिए भी healthy, wealthy और स्वस्थ रूप में हो और अगले साल जब हम मिले हंसी खुशी मिले सर एक हाथ जोड़कर रिक्वेस्ट है सर आपसे मैं प्रार्थना से बोल रहा हूं कभी भी आपकी meeting attend करते हैं मुझे वह जमाना याद आता है चारमीनार सिगरेट जब हम पीते थे कभी बचपन में लेकिन यह अफसोस है मैं अटेंड नहीं कर पाया यह video conference meeting practices रखिए बहुत सही है. 18 rs. se एक पैकेट आती थी मेरे को याद है 10 सिगरेट मिलती थी लेकिन वह जमाना जमाना चला गया और अभी जो उम्र हो गई है तो video conference meeting allow करिए, जब कलकत्ता से आपसे दिल से भावना प्रकट कर सके और आपके लिए शुभकामनाएं कर सके सर धन्यवाद सर बहुत-बहुत समय देने के लिए. आपको भगवान लंबी उम्र दे सर.

Moderator: Thank you, sir, our next speaker is Mr. Afsal O rehman Sufi Muhammad sir, Afsal Sir. please you speak. For you sir. Sorry sir we are not getting any input from Afsal Sir. Now we are moving to our next speaker Mr. Manoj Kumar Gupta. Mr. Manoj Kumar Gupta. Please unmute yourself, switch on your camera on speak. Thank you.

Mr. Manoj: Gibberish, Hello.

Moderator: हां सर आपकी आवाज आ रही है, Thank you.

Mr. Manoj: sound of Coughing

Yes. Good afternoon respected Chairman, Board of Directors fellow shareholders. My name is Manoj Kumar Gupta. I am a shareholder of VST. I have joined this meeting from Calcutta. Thank you, Chairman for your excellent speech very short speech and inspirable speech. And I want to welcome our new MD and CEO Mr. Gooptu, and I believe that he will fulfill the legacy and vision of previous his previous one and he will take the company on new heights under his leadership in coming time to reward the employees and investors under his A1 literacy. And Sir, I will not say a single word about the CSR. Our dividend is good because I will not criticize about the dividend. You are paying dividend it's a good because in the pandemic COVID, you are paying dividend of 114 rupees per share that means you are paying around at 225 crore rupees to the shareholders. So it's a good sir. Sir, I will say that you can split the shares to attract the small investors and increase the liquidity in the market. And Sir, what is

your view on the anti tobacco lobby and young generation anti tobacco lobby is growing in the country and they are avoiding to take the tobacco. So, what is your view on the anti tobacco policy lobby and government is also planning to a tobacco free country tobacco free zones and no smoking zones. So, what is your view on the anti tobacco anti tobacco policy of the government and sir your market cap is 5400 crore rupees as per today market share, if you will liquid even if you split the shares then market cap will go up around 8000 crore rupees next year. Chairman has touched his two lines about the illegal cigarettes and this is a big problem of the country because India is more than 120 crore population and illegal cigarettes are coming from Bangladesh, Bhutan, and Nepal through cross border and some Nexus are going on. So, How you will face this challenge about the illegal cigarettes because illegal cigarettes be business hit the authorized cigarette companies like as ITC, VSP, Godfrey Phillips and Sir, you had issued the last bonus on 30th September 1991 in the ratio of three is to five and last rights issue in the 1997 August in the ratio of 36 is to 100. So, what is your plan, sir, about the rights and bonus? And Sir, there is several disputed cases in your balances, how you will resolve these cases out of form out of appropriate reform Sir, have you any plan to the diversification from tobacco to other business and sir expenses try to try to reduce the expenses, your directors remuneration has gone up if you can check that and but I will not say single word about the backbeat British American Tobacco when they come to Calcutta and ITC I meet them but what's their policy and but take a positive step to save the cost of energy and power by stabilizing wind energy or others near to your plots to save the cost of energy of energy, then company will be more benefited and if I will come to Hyderabad, it's my pleasure to meet Mr. Goptu and see the plant of VST Sir. Thank you sir.

Moderator: I would now like to call the next speaker shareholder who has registered is Mr. Keshav ghad. Mr. Keshav I would request you to kindly unmute your audio, switch on the video and speak please.

Mr. Keshav: Sir, I hope my voice is audible.

Moderator: Yes, sir. Your voice is clearly audible Sir.

Mr. Keshav: Sir. So sir, very good afternoon. And Sir, I had a few questions. So first of all, so what is the outlook for our top line and bottom line for the present financial year FY 22 and Sir, why are our revenues and EBITDA falling since the past two quarters. Sir, actually our fourth quarter ahh aa profits are lower than our first quarter of last year profits when there was a lockdown. So it's a little bit confounding for shareholders. Why is this the case? And Sir our advance from customers is down from 85 crore last year to 27 crore this year. So sir if you could shed some light on this? Sir and what are the prospects of contract manufacturing cigarettes for export market? Sir like our competitor, Godfrey is already doing sir so you think that that's a remunerative opportunity for our company? And also, is there any, are there any prospects for contract manufacturing for British American Tobacco? Sir, if you could give us an idea that what has been the realization growth in our cigarettes post tax in the past five years? Sir, also sir like previous speakers have indicated sir the payout ratio is constantly decreasing. In FY 17 it used to be 76% now it's down to 57%. Sir we have around over 900 crore of net cash with us. I don't understand Sir, what will we do with this cash? Neither is there any acquisition opportunity in this sector, nor do we have to put a Greenfield plant sir

so then what I mean, it's really confounding for shareholders. And so also, we should consider a share buyback, sir which can increase our earnings per share permanently and it is more tax efficient than dividends. Sir so you could Please consider that and sir, our export revenues have been declining steadily from 193 crore in **inaudible** to seven crore last year. Sir so what is the reason for this decline in export revenue? Answer when will this trend, declining trend turn around? And so what are the constraints in scaling up tobacco leaf exports? Sir apart from Sir I wanted to just get an idea that sir how much is the realization per stake of the most expensive cigarette that we are selling? I think it is total. So what is the price of that and sir What is the price of our lowest cigarette brand? And sir, what would be the blended average? And sir, have we taken any price hike this year when there has been no increase in taxation in tobacco. Sir, these were the points and sir please consider a share buyback. Thank you very much Sir.

Moderator: Thank you. We will now move on to our next speaker Mr. Shamsundari Narang, Mr. Shamsundari Narang, we request you to kindly unmute your audio, switch on the video and proceed with asking the question please.

Mr. Shamsundari Narang : Sir allow me to switch on the video Sir.

Moderator: Sir it is already allowed to you sir, kindly click on the camera icon and start sharing please.

Mr. Shamsundari Narang : OK. Ok. I already done that Okay. **Voice not audible .**

Moderator : Mr. Shamsunder yoo can come closer to your microphone and speak please.

Mr. Shamsundari Narang: Voice not audible.

Moderator: Mr. Sham, Mr. Sham we request you to kindly come near to your microphone please. We are able to hear you very faintly Sir, there is a lot of background noise. we request you to kindly come near to your microphone please.

Mr. Shamsundari Narang: Not audible. Thank you sir.

Moderator: Thank you. Now we will move on to our next speaker Mr. Veeraj Dhare, Mr. Veeraj, we request you to kindly unmute your audio, switch on the video and speak please

Mr. Veeraj: Am I audible?

Moderator: Yes sir. You are audible. Request you to kindly switch on the camera to switch on the video as well. Thank you.

Mr. Veeraj: Yeah I have activated also but irrespective like not having other ask question. So my main I am, first of all thanks a lot for providing me opportunity to vote for providing me opportunity. I am also an investor for company for more than decade in my family accounts and really like I am happy that I invested in a company for decades and it has created a well

the same time last two years particularly, I really see company is missing a track at least on the front of rewarding to the shareholder, there is no reason why this company cannot do this like ITC is distributing today 100% as dividend. So, why the other company with 800 crore cash on second path we have 200 crore advance receivable in cash and kind. So, out of 1400 crore, we find almost 1000 crore is lying on balance sheet and we are not rewarding shareholder I had actually compile and send my list of working from annual report Okay, I will look out each kind of stakeholders reward from companies available whatever is available from companies annual. So, the average salary of employees last two years statutory auditors remuneration increase at 7.6% CAGR FY 21 over FY 20. CSR amount should have been gone up 17% despite we are having a CSR committee we find 1/3 amount not being spent, okay. So, that is a kind of it. Worst thing 2019 total flow including dividend distribution test for shareholder was 176.85 crore in a FY 19 that has been 1706.0 is minus is a negative number. We are missing that two years back when company was giving dividend It was not tax free income hand off shareholder. Now, since last year, the dividend is now become taxable. So, your company is still on the **DVT (not clear)** part. Forget about increasing the dividend you have, company has actually reduced for shareholders. So, that is something which I really really object and kind of sincerely call management to consider if this AGM this interim (not clear) is announced to call for an immediate interim report and declared interim dividend at least to make up for deficit if we have reduced, please explain what is the reason annual report is talking for everything but for reason of reduction in annual means we are not facing liquidity issue. If liquidity issue is there, why employee salary director, salary, statutory auditor salary everyone's stake has gone up. So why only shareholders should be suffering is it kind of well, I really really find that this was one of the best company on the managing cash and kind of rewarding shareholder and last two years, we just find this exactly moving into the opposite direction and it's not kind of is one two years is difficult time we we I could understand last year, this year means basically what is the reason for not to distribute we are growing in this time and we have been physically, this is not making any sense at least to former financial angles perspective, average employee salary we reduce employee is 782 employees, which got in 2019 got reduced to increase to as 807 employees and 780 employees

Moderator: inaudible thank you

Mr. Veeraj: Sorry,

Moderator: As I said, we have exceeded your time limit if you can please wrap up your question sir. Thank you.

Mr. Veeraj: Yeah. So, my questions are already being provided. So, two specific thing I want one is advanced securable in cash and kind 200 crore approximate we are giving one part second part I would appreciate if more look into this 1000 crore cash which they are lying in pay off buyback or dividend distribution and whatever is appropriate action from their side and third part is please control expenditure in case profitability of going in such nominal terms. It has increased, we appreciate in this challenging times, but it could have been better. Thanks a lot. And the questions are already sent by email so that you can go and give it Thanks a lot.

Moderator: Thank you. I will now move on to our next speaker. Mr. Ms. Celestial Elizabeth Mascarenhas. But unfortunately, she has not joined the meeting. Hence we would

move on to our next speaker, Mr. Bhargav Gopanna, we would request you to kindly unmute your audio, switch on the video and speak please.

Mr. Bhargav Gopanna: You can hear me right?

Moderator: Yes, sir. You are audible.

Mr. Bhargav Gopanna: Okay. Whatever Mustafa Mahazir kelwala has said right, I didn't don't want to add anything more to that. The one question I have is you guys have free cashflow of , I think it's 286 crores and if you subtract the purchase and plant equipment that is 50 crores, 236 crores of free cash flow. The dividend this year is just 160 crores. Why is the difference? I mean, why are we retaining 80 crores? and as Mr. Mustafa said that if the management has no reason to retain them, and I think it's what Buffett said that there's no reason that the management has to be that's what the other question I have is your option policy. I'm really surprised by these companies going through that route, I'll give you an example Berkshire is is an older company, it's a far richer company, because a lot of it has given a lot more wealth to shareholders. And till today, Warren Buffett doesn't issue a single option. I don't know why do we have to follow something which others are doing? and other things I want to ask you is who are the persons who are actually getting those options? And what are the criteria based on which you guys are allocating those options? None of which are actually being published anywhere. As far as I know if I am wrong, I'm sorry about that. The other question I want to know is, what are the unit sales of cigarettes per year? And what's the growth on that? I'm not asking about the the the price increases. I am asking of the unit sales, at what rate that is growing every year for the past five or six years getting published anywhere? Or if it's out. If it's not, please let me know. The final question I have is you probably might have already read about Philip Morris, that talking about getting out of cigarettes completely. So right now, approximately 30% of their revenue comes from e cigarettes and smokeless cigarettes. I want you guys to comment on I know e cigarettes are banned in India. I don't think smokeless cigarettes are I just want you guys to comment on what what do you think about that and the future could be those and rightfully cigarettes are not banned in UK, US and Europe anywhere? I don't know why they are banned in India. But that's another thing but one thing I want to add is,

Moderator: Mr. Bhargav, you will be exceeding your time limit which would cause you too kindly wrap up your question please. Thank you.

Mr. Bhargav Gopanna: Okay, I wish you out told the other shareholders same thing. Okay. My questions are those in this .. not clear? Thank you.

Moderator: Thank you, Mr. Bhargav. We will now move on to our next speaker, Mr. Surendra Nath Kapoor, We request you to kindly unmute your audio, switch on the video and speak Please.

Mr. Surendra: नमस्कार सर. Sir, the only point I would like to elaborate now not with the sake of repetition that we heard Philip Morris CEO a week earlier or two days earlier, that they will they will be exiting this cigarette business completely by 2030 correct me on this

statement sir and by that, what what did Phillips morris try to, what message did they try to convey and our, how our management and management team is reading into into the same if you could throw some light on the same that would be really helpful. He said, going into our categories. company when it is considered as a sin stock. It is difficult for you to come out with volume numbers come out with realizations because that would be some what rubbing rubbing salt on wounds. I think so because it's how can you come up with with a volume guidance and an abitar numbers are normal for a senior sell. But even even even on top of that sir Post numbers try to give some sense of the business environment, the operations and the financial highlights so that your investors and the other community can get get some feeling about कि कैसा यह number रहा है क्योंकि आप जो format मैं numbers को भेज देते हैं वह suffice नहीं करता है सर और आप जो elicit phase मैं company जब है bare minimum requirement भी आपको consider करनी चाहिए for the benefits of the investors sir points on the dividend payout points on buyback points matter repeat नहीं मैं करना चाहूंगा sir when when we look at payout for a dividend payout. At that time this commission part doesn't come play into payments or commission which we're paying to independent directors is directly proportionate to the PBT levels I think so are the fat levels whatever you arrive at, but when dividend output comes out हमारे यहां कहा जाता है कि सबसे पहले बिल्ली के दूध का हिसाब लिया जाता है, which is of the lowest cost to cut the cost from that side. Sir it is again Lastly, जो शेयर होल्डर है उसी का हक पहले रुको, directors है MD है उनको तो कमीशन बांध दी है, आप 500 कमाओगे तो 8 आना दोगे, 525 कमाओगे तो 8 आना दोगे. हमारे लिए 500 कमाने पर भी आप 2 rs. दे सकते हो, 525 rs. कमाने पर 1.5 rs. दे सकते हो, policy frame करो भाई जिससे हमें समझ आई कि आप उनके लिए पॉलिसी बना सकते हैं independent directors है जिनको company के profit से पैसा मिल रहा है और उनके पास **inaudible** और हम जो investment करके faith रखे और आपके ऊपर हमारे लिए **inaudible** बस इतनी सी बात थी कर शेयर होल्डर को समानता दीजिए सर.

Moderator: Mr. surendranath Nath Kapoor, would request you to kindly wrap up your question as you're instituting a time limit. Thank you sir. Mr. Kapoor would request you to kindly wrap up your question please. Thank you. Hello, sir. Hello. Yes, Mr.

Mr.Surendra: Hello sir Hello

Moderator: Yes Mr. Surendra Nath

Mr.Surendra: मैं अपनी बात यहीं पर समाप्त करता हूं सर you take you take note of our suggestions and and and draft the things in such a way that it is? It is it is it is well balanced and and the questions about these dividend payout and all should be well very well drafted drafted into the system so so that they did not crop up and also about this Philip Morris parts or I am just repeating कि हमें फ्यूचर कैसा दिख रहा है इस सेगमेंट के लिए जहां पर negative aspects ज्यादा उभर कर आ रहे हैं. धन्यवाद सर आपका patient hearing के लिए.

Moderator: Thank you. With that, we come to the end of another Q and A session. There is another speaker Mr. Debankar (surname not clear) who has not joined the meeting. I will hand it back to the board to continue with the rest of the session. Thank you, sir.

Naresh Kumar Sethi : Thank you very much for your questions.

Automated Voice recording: You are now muted.

Naresh Kumar Sethi : I like to is firstly, there were some questions, specific questions about COVID what we have done during COVID. The benefits we have provided to employees, you know, did we have any deaths, vaccination programme? I will just pass this question to our MD Aditya and then I will try to summarise all your questions and respond to them. So as I say, if Aditya you don't mind, can you just keep this off please by unmuting yourself?

Mr. Aditya: Thank you Naresh. Good afternoon to all our esteemed valuable shareholders. Thank you very much for your questions. Yes, One of the questions was whether we lost any of our colleagues to COVID. Yes, unfortunately, we had a few losses and we made sure that we were able to support the loved ones and families we made a new expiration policy for them. But apart from the few losses that we had, we took great care that the health and well being of our employees was the first priority and

Naresh Kumar Sethi : We can hear you Aditya.

Mr. Aditya: Yeah and we have made sure that most of our employees are vaccinated at least one time. The number is in the high 90%. And not just our employees, the families of our employees and also our business partners. We have taken care to vaccinate the teams of our distributors and the farmers who are associated with us in different parts of the country. Apart from that we have arranged for remote tele medicine for anyone who's infected with COVID. We arrange for oxygen generators and other sorts of medical care for those who are affected and their families. Apart from that, I think Mr. Sethi has already mentioned that we have contributed sum of 100 lakhs to the Telangana business Disaster Relief Fund and recently, we have also had the Hyderabad police in setting up 10 bedded hospital for those members of the police who are affected the public servants who are doing a great job. So, as far as the business impact of COVID is concerned, early on, there were some problems in terms of the supply side. And all, all the companies in the cigarette industry, at least were forced to stop production temporarily for some time. But gradually, the situation improved. There were issues on the demand side with consumer footfalls, and work from home culture. But in quarter four, we saw a very, very encouraging trend that the industry volumes climbed back to Pre COVID levels. That's indeed, you know, a great vote of confidence on the resilience of the industry. And we hope that the same trend will be seen going forward.

Naresh Kumar Sethi : Thank you Aditya. Well, I think we have had four or five themes in your questions. Firstly, there are a lot of people who have complimented our performance, our balance sheet. And because team has been around a user for cash and the dividends that we are paying, they have been suggestions on stock split around bonus shares. So that means this address that, and I welcome the questions that you had asked. First of all, I think, let's take stock of how well this company has done in the last five, six years, take whatever period you want. And I hope for most of the people who had some reservations, or some discontent that here's the company, without big heritage brands working for it, that has set out a path where we have grown our value shares, and our volume share by 2% 200 basis points. So we

were on 8 8.4%, we are over 10 10% now, that's a spectacular growth in a highly competitive environment where the advertising restrictions that is an ode to the strategy that this company has followed, and the focus on innovation and relentless execution at the marketplace. For all the criticisms, I welcome them. Please remember that here's a company where profit after tax, and from 152, in 2016-17, to 311 crores in 2020-2021. So please acknowledge a great performance for this company and we have been paying out dividends. You know, very, very healthy dividends in our history and I just want to refresh your minds on what I had said last time and you seem to have accepted it very well and brought it into your conversation as well. Our company payout ratio of the 70% that you are talking about. This also mentioned and I just want to read through our dividend policy. The dividend distribute to shareholders could be enhanced, or on the other hand, in periods of uncertainty, a low dividend ratio could be appropriate. But everyone who thinks that last year was a fantastic performance and COVID is over. I think what has happened in the last six months, you know, and wears me out. I do not think that we are set for a wonderful easy ride or for that matter, any business in the coming year or and I think in the medium term we may look good in the coming year will be far more difficult. Last year, we had the opportunity I think the company was very brave. We took our price increases on the back of the excise increase from the government and therefore financial performance was good and we did extremely well in controlling our costs. So I think we are being very prudent I would still support growing your dividends in a sustainable fashion rather than yo yong it and giving you a fantastic dividend this year and then decline next year and then answer your question of why a dividend have actually gone down to we want to be extremely prudent there. Lot of questions about retained earnings, cash, etc. and I want to just mix it with the questions that have been asked around what's happening in the nicotine category, I cannot comment on what any other company says about the future of the business that on an international stage. For us, we are constantly on the lookout of making sure that we provide the best possible products for our customers, our consumers that are legal and allowed by the Government of India and if there are any opportunities that we get to expand our business into other categories, adjacent categories, we will, right now the legal framework and the approval frameworks are not that clear, as some of you already said, e cigarettes or tobacco heating products are banned in the country, but we keep looking at it. And if we get an opportunity, we'll definitely get there. But the core point is, we are still a 10% market share company in the tobacco business in the cigarette business. There is a lot of growth opportunities out there and in order to have a good performance, all around performance of the company, we are very conscious to not just grow on the back of price, but to grow on the back of value added innovations. So we keep a strong eye on our value share as well. So we want is a lot of opportunity for valuation to grow and there will be a lot of investments that might be required as we go forward to address these. So I hope that in a year or two as the business environment clears up, you will start to see the kind of dividend payouts that adhere to policy. But for me, what source of pride is that we are giving you growth and dividends. And this year, we have grown our dividends by almost 11% and hopefully, a better trend like this will continue. There been questions on directors remuneration. Obviously there is one simple fact to clarify is that when you have data, you don't have the full perspective, if you remember, a lot of the directors were not paid for full year, last year, because of their joining dates and this year, it's full, I think we are paying our directors, I've been complimented, and I am really very pleased with the board of directors that we have got. We have got senior professionals in the field, that are taking active part in the management of this company, the running of this company and they have been

very, very effective. I think I am very happy with the remuneration that we are offering them and it is within the guidelines. But in order to just explain the big difference between this year and last year, it's a pure question of timing of the number of months that some of the directors have had enrolled. I am really pleased for the questions that have been asked on all the comments that he made on ESG. I think ESG has become a big word of late could VST has been extremely conscious to do everything right. Yeah and I think now there is a renewed vigour, to make sure that on each of these three principles, we do lots more and and the management is working out extremely good plans and I think you will see them in action. I will comment about them in the coming years as well.

Just now go through some of the more detailed questions that have come through. There have been questions on cost cutting and our efforts towards cost cutting, I think in terms of costs, there's no better company that I have seen than VST and it's one of the leanest and most efficient companies that I know and we will never let go that all our investments are towards the consumer and towards the stakeholders. And I am very, very pleased with the shape of the P and I that we have very, very proud of that. There's a question on ESOP's which was approved with all its details earlier on in the year 2021 And it was full of the details that some of you have asked for, I have to say, running VST we have now come up with what are the best remuneration or total remuneration packages, you know, in in, in India, for VST. We went through an extensive benchmarking exercise in like, like size companies in India. And what we found was that, in terms of where our employees were compared to the market average, we were quite low and that was one aspect of the finding that we found and the second that we found was that we lacked a long term incentive plan linked to long term measures and long term performance of the company and we are perhaps one of the very few companies that did not have ESOP's. So what we have done is we've included ESOP's and we have said I am really proud with the with the work that has been done in the NRC and the leadership of Rama Bijapurkar ji, that now we have a comprehensive programme with absolute clarity on what are the metrics that are required to be met, to get short term bonus benefits, and what metrics are strategic benefits for which management should be rewarded on ESOP's. We think this will strengthen the company. This will strengthen the participation of senior managers towards the long term, I also suggest using short term results. Right now there are eight people who will qualify for this ESOP, with the senior management team. It may grow by three or four people, as new employees come in at a senior level or are promoted.

Question on illegal cigarettes, illicit trade, which is a huge issue the world over. But as I have already mentioned, in my speech, India is a place where it is one of the highest, and they set a net loss to everybody. Starting from the farmers, to the consumers, all the way to the government, not least, the industry. The cigarette industry has one voice in talking to the government and the key pillars of it are pretty obvious and I keep stating it all the time. That's excise regime. There is a huge price gap between illicit cigarettes and legal cigarettes and the more tax burden we have to bear, the greater the distance between the two and therefore they grow. Lot of work can be done towards vigilance. But the fundamental truth here is big price gap plus vigilance to support we have as an industry active dialogue with the government VST keeps talking to every stakeholder in this this area, including the state government, we do our best, but this continues to be a problem and continues to be a big risk. There are estimates of 20 to 25% illicit trade in our country. That's way too high.

In other comments around reducing cost of energy, some ideas about water usage, efficient energy usage, single use plastics, etc. Absolutely correct. And we are on it. overdue have responded. Even a question on exports. Exports are in cigarette business, I don't think it's good business. There is there are strong domestic and international companies and when I say international companies, I mean they are present in those countries, but are part of British American Tobacco, Philip Morris, Japan tobacco or Imperial Tobacco in every major country and to enter a market with brands that consumers haven't heard of today and think that we actually will not lose money will just be an additional overheads with no benefits to VST. I do not know of any company that has done well, by just internationalizing, their local brands, I just don't mean Indian companies, but any other Indian and domestic company across the world that has done well. So there are no such plans of going overseas with our cigarette business. Leaf business keeps going up and down, based on global demand and for us, one of the biggest benefits of having a leaf export programme is that we are able to support thousands of farmers who are in a critical to the Indian economy, they are critical to us in more ways than one and the COVID year there has been reduction in demand, and sometimes there are price fluctuations and therefore, you see up and down in terms of revenues, pleased with the the revenues that we have achieved last year and the profitability that we get. But as of now, the big focus in terms of upward trajectory of business continues to be growth in our cigarette value share, which is of course, fueled by volume share through innovations in India and I think we have a fair distance that we can achieve and that will give you the stained earnings growth systems dividends growth, not just the kind of, you know, a one off year of having met 70% or not, to make sure that we are there to invest in innovation in R and D, which we have talked about, I am sorry, I can't give you the details for that, to make sure that we invest so that over the next 5 - 10 years, we have a steady stream of better quality higher and higher quality products and better consumer relevant innovations that we can fund to actually be in the marketplace and win in the marketplace.

In a question on CSR, under spend as you know, it's been a question of, of how effective our spending is versus how much we spend and the COVID. year it was difficult for us, it's been carried over to this year and I think we will continue and there have been some ideas on how we can spend that better. Thank you for that. I am sure the management team will make note of it. But we will continue to be focused on having effective CSR activities rather than just a mere we spent as much as we should have been, we have been asked to spend in the in the country.

So just to sum it up, and and to hit the major question that you have asked, we will think about, we continue to think about share splits as a management board, and we will do that again this year. But please bear with us on the on the distribution of dividends this year, which is 2021. Please acknowledge that it's 11%, no higher than last year. I think they are still choppy, unclear what is the head for the next 12 to 24 months and we have chosen to be prudent and once these next couple of years, actually pan out, you will start to see us going back to normal. I understand your feedback. I understand your your questions, and the board understands it. With that I think I have touched on the major areas of the questions that all of you have asked and one last quick check. Yeah, there was just one other question, which is a detail question on advance to customer. This went up it's as simple thing that happened in in March, which was a question of the distributors, you know, unable to receive goods

because there was a sudden lockdown. So that showed up as huge advances, and that got corrected itself this year. So they are just an anomaly of what happened during the sudden shutdown 23rd of March last year. Covered most of the questions that you raised and some of you have emailed it to us, but again, if any of you, any of you believe your questions have not been answers please write to the designated investor email address of the company, investors at vstind.com and we shall respond to you. I know there have been some questions with a lot of requests for details or small elements of what's going on in the balance sheet or the P and I. If you think they have not been addressed adequately, please do write to investors at vstind.com and now move back to the agenda item, agenda items number seven. Ladies and gentlemen, I will now read out the items of the business as contained in the notice of the meeting, which have already been circulated to the members. Item number one is to receive consider and adopt the audited balance sheet as at 31st March 2021. The statement of profit and loss for the year ended on that date and the reports of the directors and auditors there on. Item number two relates to the declaration of dividend of rupees 114 on the equity shares of rupees 10 each of the company for the year 31st year ended 31st March 2021. Item number three relates to the appointment of Mr. S Thirumalai retires by rotation and being eligible offers himself for reappointment. Item number four relates to the reappointment of M/s VSR and Associates LLP as statutory auditors of the company for another term of five years. Item number five relates to appointment of Mr. Aditya Deb Gooptu as the director of the company item number six relates to appointment of Mr. Aditya Deb Gooptu as Managing Director and CEO

ladies and gentlemen. With this I want to thank all the stakeholders for taking the initiative to join this meeting and now authorize Mr Phani Mangipudi to conduct the voting procedure and conclude the meeting. The e-voting facility will remain open for the next 15 minutes to enable those of the members who have not cast their vote and would now like to cast it. The results will be announced before 29th July 2021 and the same would be intimated to the stock exchange and also uploaded on the website of the company and K FinTech. With your consent, I and other board members would now leave the meeting. I request all the shareholders to keep themselves safe by following all the safety directives issued by the Government of India from time to time. Have a good day.

Mr Phani Mangipud: Dear members, I would like to mention that as per the provisions for the Companies Act 2013 and the SEBI rules and regulations relating to electronic voting, the company has provided its members such facility to remote e-voting administered by K- Fin Tech. The facility to vote at the meeting is also provided to members who have not yet voted and wish to do so now. Members can visit the voting page of K Fin Tech and cast their vote. Mr. Sharvana Kumar, the practising company secretary who has been engaged for this purpose has been appointed as scrutinizer to scrutinise the rules and cast the meeting and e-voting. Thank you.

