

Calcom Vision Limited

CIN :- L92111DL1985PLC021095

Calcom

ISO - 9001 - 2015
ISO - 14001 - 2015
SA - 8000 - 2014

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To
The Department of Corporate Services/Listing
BSE Limited
P.J. Towers, Dalal Street, Fort
Mumbai - 400001

October 05, 2023

(Scrip Code: 517236)

Dear Sir(s)/Madam(s)

Sub: Chairman's speech delivered at the 38th Annual General Meeting ('AGM') of the Company

Please find enclosed herewith the Chairman's speech, delivered at the 38th Annual General Meeting of the company held on September 30, 2023 through Video Conferencing.

This is for your information and records.

Thanking you,

Yours Truly
For Calcom Vision Limited

Aayushi Jindal
Company Secretary & Compliance Officer
Encl.: A/a

Chairman's Speech

*38th Annual General Meeting On
30th September, 2023*

CALCOM VISION LIMITED

Dear Shareholders,

It is my privilege to serve as the Chairman of your Company for more than 3 decades. I welcome all of you on behalf of the Board of Directors to the 38th Annual General Meeting of your Company – CALCOM VISION LIMITED. Your presence and association are a strong testimony of your continuous support and faith in Calcom. This inspires the management team in continuously achieving new milestones.

The Annual Report for the financial year 2022-23 containing the notice for this 38th AGM, the Director's Report, and the Audited Financial Statements of your Company for the year ended 31st March, 2023 has been circulated to you. With your kind permission, I take the same as read.

Now, with your permission, I would like to share your Company's performance in the fiscal year 2022-23, the Industry Outlook and Key Developments.

This year, we saw the dawn of a new era at Calcom, an era marked by stability, growth, and innovation. Emerging from the shadow of the global pandemic, we found ourselves in an environment of stabilizing raw material prices and growing consumer demand. This return to normalcy sparked a growth explosion across industries, and we were no exception. We succeeded in expanding our operations by a remarkable 60% over the previous Financial Year. Your Company has recorded its lifetime high Annual Sales of INR 160.07 Cr. for the year ending March 31, 2023. The Compounded Annual Growth Rate CAGR of Calcom over the last 5 years is over 45% and for last 2 years is around 67%. The Profit after tax has grown over 5.5 times as compared to FY 21-22.

In FY 23, we also embarked on a new journey and diversified our business to include BLDC Fans. For this new venture, we entered into a 50:50 Joint Venture with a leading Korean multinational – Taehwa Enterprises. The Joint Venture company – **Calcom Taehwa Techno Private Limited ('CTTPL')** will operate as an OEM manufacturer in the B2B space. This has undoubtedly been the highlight of the year.

This partnership isn't merely a business decision; it's a reflection of our vision to elevate our brand to global standards. Our combined strengths and synergies promise a robust product range that will cater to the needs of the Indian consumer. We aim to set new benchmarks in quality and innovation to forge ahead into the future.

To fund our future plans of growth and expansion, we also infused an additional capital of INR 10.23 Cr by issuing equity shares to individuals in the Non-Promoter category and Warrants to both the Promoter and Non-Promoter categories. This capital infusion will be used to setup our new BLDC fan facility and also the new automation taking place at Calcom.

During the fourth quarter of FY23 two major developments took place in the LED lighting segment. The first one was a technology shift from a 'Driver-based' design to a 'Driver on Board' (DOB) design. The DOB technology led to a downward pricing impact on our topline, estimated at around 35%.

This technology shift also rendered our current automated process redundant. Your Company had to shift many automated operations to manual operations. This also resulted in an increase in manpower cost, lower productivity and lower profitability. Now we are working to adapt to

the DOB technology and have already automated several key processes. The next year looks promising.

The second development was the implementation of RoHS. The Restriction of Hazardous Substances Directive aims to prevent the risks posed to human health and the environment related to the management of electronic and electrical waste. The Government of India issued a notice for a country wide implementation to be applicable from 1st April 2023. To comply with this directive, your company implemented changes in the manufacturing process. This led to an increase in cost and decrease in productivity, thereby reduced profitability. Unfortunately, The Government reversed the RoHS notification on July 24, 2023 and deferred it till April 1, 2025.

The Industry Outlook

As the geopolitical canvas undergoes significant alterations, many leading global entities are pivoting away from conventional hubs like China, directing their attention to India. Supported by favourable government initiatives, India is asserting its position as a preferred manufacturing nucleus. At Calcom, we are strategically positioned and wholly prepared to harness these transitions, setting our sights on the forthcoming growth chapter.

Indian LED lighting market is expected to grow at a CAGR of 12%, from Rs. 21,708 Crores in FY 22 to estimate to be reach Rs. 33,820 Crores by FY26. The Indian LED lighting market has seen an increase due to population growth and subsequently rapid urbanization in the last decade. With a growing rate of electricity use, demand for an environmentally sustainable and cost-effective lighting solution is also gaining momentum. Thus, LED lighting has begun to dominate the general lighting market of India tremendously in recent years.

Government Schemes and Policies

The Indian government has taken steps to enhance manufacturing capabilities in India, including imposing customs duties on specific products and removing duties on components.

These efforts to improve the ease of doing business have led to increased manufacturing setups by foreign manufacturers in the country. This has boosted the EMS/ODM market, with electronics brands and OEMs actively seeking collaboration and partnerships.

In FY22, Calcom had the privilege of being recognized under the Production Linked Incentive (PLI) Scheme. Conceived to invigorate domestic manufacturing and draw international investments, the PLI Scheme has been a pivotal initiative for the Electronics Industry. This year, under the PLI Scheme's mandate, we've allocated **INR 2.93 Cr. Towards capital upgradation.**

Our Strategy

We will focus on Exports:

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Our strategy for FY 24 is to step into more international markets. We are already exporting to the US and have plans develop and exhibit our products in various other markets.

Our next core strategy is to focus on Automation.

The world is rapidly evolving, and so are we. Our keen focus on automation, underlines our commitment to efficiency, precision, and sustainability. The transition to Driver-On-Board (DOB) technology speaks volumes about our in-house capability, adaptability and intent to stay abreast with industry advancements.

By integrating cutting-edge technologies and robotics into our processes, we're ensuring that every product that bears the Calcom name is a symbol of quality and innovation.

We also plan to tap into the emerging segment of EMS - Calcom is equipped to produce a diverse range of electronic products, from Smart Energy Meters to EV chargers, wearables, hearables, BLDC Drivers and many more.

Furthermore, the growing embedment of electronics in critical sectors, from cars to household appliances, broadens our potential market for EMS. Riding these waves of change, we're geared to steer Calcom towards an industry growth that could well surpass a 25% CAGR in the coming times (AM's speech)

And lastly, we have enhanced our focus on **Quality**- To ensure the highest quality of our products, we have incorporated a 3D AOI into our manufacturing process, which allows for meticulous inspection of electronic assemblies. At Calcom, we conduct several training programs for our team members to educate them about the quality and its importance.

Our largest Customer, Panasonic, has validated that our field returns are the lowest and we are considered the best among their vendors for LED Bulbs.

Calcom is not just about products; it's about the passion, innovation, and the relentless pursuit of excellence. Building on our solid legacy, we took the time this year to introspect and refine our vision for the company to align with the changing landscape of the industry and the world.

Our aspirations are clear: To achieve financial efficiency, to always be debt-free and to always remain cash flow positive. We aim for steady and substantial growth and returns, projecting revenue growth at 10% to 25% every quarter while generating healthy profits.

Our vision also encompasses our drive to be at the forefront of technology and our commitment to societal betterment. We believe, we're not just lighting up homes; we are illuminating futures.

To sum it up, I am pleased to report that the management team of your Company is working hard to create a brighter future. I have tremendous faith in Calcom's team of dedicated professionals, and I know that they will leave no stone unturned in their continuing quest to take the Company to new heights.

We would like to thank every stakeholder of your company. None of these achievements would have been possible without the passion and commitment of our employees as well as valuable support from all our vendors, customers, investors and the board members.

I, my fellow directors and the team members are very confident about the year ahead and the broader outlook and brighter future for Calcom.

Thank you very much.

**S K Malik
Chairman cum Managing Director**

30th September, 2023