



Transcript of GIL 46th AGM held on 20TH AUGUST 2021

Mr. B Shiva: Okay. Chairman Sir, shall we start?

K K Bangur: Yes please.

Shiva: Good morning everyone. This 46th Annual General Meeting of Graphite India Limited is being held through electronic video audio means as per the directives of MCA. All members will join this meeting by default place on mute mode by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the meeting. Once the question answer session starts chairman will announce the names of shareholders who have registered as Speaker shareholder one by one, the speaker shareholder will thereafter be unmuted by the host and who then can start speaking. The speaker shareholder can click the video on button. If the shareholder is not able to join through a video for any reason, the shareholder can speak through the audio mode, while speaking we would request a speaker to use the earphones so that he is clearly audible, minimize any noise in the background, ensure that Wi Fi is not connected to any other device, no other background applications are running and there is proper lighting to have a good video and audio experience. If there is connectivity problem at speakers end, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak once the other shareholders who have registered complete their turn. We would request shareholders to kindly limit your speech to three minutes. The company has received five board resolutions for six corporate shareholder folios appointing and authorizing representation representatives under Section 113 of the Companies Act 2013 in respect of 12,64,90,822 equity shares, representing 64.74% of the paid up equity capital. Since there is no physical attendance of the members, the requirement of appointing proxies is not applicable. Registers required are open for inspection. Members who have not voted earlier through remote e voting can cast your vote in the course of the meeting through the E voting facility. Directors who are present in this meeting, Mr.K K Bangur, Chairman, Mr. N S Damani, Mr. A V Lodha, Mr. Gaurav Swarup, Mr.N Venkataramani, Mr. J D Curravala, Mr. A Dixit, executive director, the statutory auditors and scrutinizer appointed for this meeting are also present. The requisite quorum for the meeting is present. I will request chairman of the company Mr.K K Bangur, to conduct the meeting.

K K Bangur: Thank you, Mr. Shiva. Good morning to all. I would like to welcome all the directors and the shareholders to this 46th annual general meeting of the company. As the requisite quorum is present, I now call the meeting to order. I thank all the shareholders for joining this meeting today. I hope all of you and your families are safe and in good health. Since the notice convening the meeting is already circulated to all the members, I take it as read. There are seven resolutions for which approval is sought from the shareholders of the

company. There are no qualifications in the auditor's report on the financial statements of the company for the year ended 31st March 2021. Hence, it is not being read.

Before I invite you all to speak, I just give you a quick overview of what happened last year, and how we see the current and the immediate future. Last year as we know that the entire world was struck with the pandemic and unknown enemy if I may call it. We had the first wave then we had the second wave which was worse perhaps in many cases than the first wave. And now we are talking of the third wave. The good thing is there has been vaccinations, which have been made available across the globe. A lot of people have been vaccinated. And even at our company 95% of our people and their families are vaccinated. So, we are moving towards 100% mark very soon. And we are encouraging everyone who have not yet taken the vaccine to take vaccines so that they are safe, their families are safe, and the environment around them continues to be safe. The pandemic of course has had its challenges. It had its impact on the economy. The economy suffered both in India as well as all over the world. We also as a consequence suffered. Our businesses already under pressure post two very good years in 2017-2018, 2018-2019. 2019-2020 was a tough year as it is and the economy fuelled by the pandemic. We got into more pressure during the last minute but despite that, I think we have come out stronger, we have positive cash balance in the company, we have increased our cash flows, we managed to control costs, we managed to keep an eye on working capital management. And as a result, we have been overall cashflow positive for the year. After a spell of few quarters of negative working profitability, we are back into profit zone, we had to make a lot of provisions on account of writedowns of inventories be it raw material, be it finished goods, be it was a work in progress. But all that seems to be behind us because as we speak, today, we are selling at a price which are profitable, even at current costs, there is margin and going forward we hope this margin will continue and perhaps there is a scope for expansion. The steel industry, which is our main user industry is going through unprecedented times in terms of growth and profitability volumes, prices. I think ultimately we should get some benefit of this change in the steel sector. The fact that China is being insisting on going more green, and China exporting, exports of steel have been calibrated. I think that should augur well for us as well for the people who are making electrics steel globally, and consequently graphite electrodes for them. So I think that's for broadly the graphite electrode business. Our subsidiary in Germany did not do well, they made more losses last year, in fact, they are still in the red, but that is substantially because of the low level of activity as well as the eurozone being far more impacted as opposed to what we were impacted here in India. They are now looking at positive signs of improvement, they are looking at better prices, better capacity utilization, and the markets are looking north. So hopefully from third quarter onwards, the German subsidiary should start also giving positive contribution. As regards other divisions are concerned the equipment division under the circumstances that done well, the coke business did well. The steel division had a good turnaround and is expected to post a robust performance even in the current year. So overall things are good. The pipe business unfortunately continues to languish, because it is mostly dependent on government orders, infrastructure projects, which have been slow in terms of order booking and execution. So I guess we will have to wait for some more time for that business to turn around. I think this overall summarizes the

situation of the company last year, but I can only tell you that we have been conservative. Our balance sheet had not come under pressure even in difficult times. And in good times of course all our peers balance sheet became robust. And we continue to build upon that and look for opportunities for growth in the future.

Thank you. Now I would like to invite the first speaker Mr. Jaideep Bakshi.

Jaideep Bakshi: Yes. Good morning, Mr. Bangur.

K K Bangur: Good morning.

Jaydip Bakshi: Myself Jaydip Bakshi connecting from the city of Kolkata.

Thanks to our company secretary for giving me an opportunity to express my views. So our revenue proposition has come down because of this unprecedented year in which the whole nation as well as the globe is passing. We understand the situation in which everybody in the industry is passing. So I hope we should learn from our experiences of the past to counter the future wave which is expected appalling. So regarding the halt in the manufacturing activities, and also the construction sector, also the real estate, how are we thinking of earning more revenue in the future and also these steel industry is now going on the upside Now, what will be benefited for our company? Regarding inventory what are we thinking of? Because in the future how can we cope with the situation? and also the loan moratorium passed on by the RBI and the lower interest rate how has the company benefited by this? Sir, what is our order position for the from the government authorities regarding the glass reinforced plastic pipe what is because of this infrastructure growth and regarding the high speed scale manufacturing capacity needed, what is the present situation and also the order status of different cutting tools are dependent and regarding sir the waste management, what is our thought process and also for carbon reduction and also the safety standards which we're maintaining? Nothing to add more, I hope our company will rise in future under your leadership and will give us a handsome dividend in the coming years. Thank you sir. And all stay safe.

K K Bangur: Thank you. Can I move to the next speaker Mr. Bimal Krishna Sarkar?

Bimal Krishna Sarkar: Hello, respected directors, company Secretary and shareholders. In this situation of pandemics, the revenue from operations of our company has reduced and customer's profit has increased this time and export business has reduced by 30%, I think this is because of the challenging pandemic. For this I thank Bangur Sir and the management committee. CSR committee has done an excellent job and I thank them too. We could have spent Rs. 6.16 crores according to rules but we had spent only 35 lakhs approximately. The best thing that our company did is to distribute sanitizer and sample for kids. I thank our company for this initiative. I would like to request to contribute more towards the welfare of poor from the CSR fund. I would like to contribute towards tree plantation. I wont take a lot of time. I have also casted my vote through E-voting. I also want to know how many of our employees has suffered from COVID? We should conduct a 1 minute condolence meet for those who have lost their lives due to COVID. May you all stay safe and healthy. I hope all our employees are vaccinated as they play a vital role.

K K Bangur: Thank you. Thank you Mr. Sarkar. Can I now call upon Mr. Sujan Modak?

Sujan: Yeah. Good morning, Chairman, board of directors and shareholders. I'm Sujan Modak I'm calling from Kolkata. Sir in this pandemic situation nothing is to add more this pandemic situation and subsequent lockdown has put pressure on every company throughout the world. There is a problem globally and we know the things has happened. But in this situation, our company's performance is really satisfactory. It is okay, it's good. I am at least happy. So we have got dividend. Revenue has slightly gone down. But production has gone up. And CSR activity is also really good. So I have full faith on this efficient and strong management and under your leadership, and I support all the agendas and done the voting also, sir. Sir, I have two three questions. First of all, one thing I have to congratulate management, that vaccination of 95% of our staff, as you said it's been done. So it's very, very nice, very, very fantastic job. Sir, pollution control is my question. So, what are the things you're planning for that because air pollution should be controlled. So, is any new initiative we are going to take.? So if you please elaborate us and emission and waste management carbon emission and waste management on that if you throw some lights? Sir on page number 58 the pending dispute excise duty and customs duties, sale tax is a huge amount of pending. So please throw some light and why it is spending for such a long? If you can give slight light on that? China effect. We know it and you have elaborated us so it's good. So if China effect continue so that our steel industry may perform better and for that our company is also good definitely. Sir. Mr. B. Shiva is a very old person and I mean so many years of experience with us. So very nice sir. Namaste Shivaji. Thank you very much for co-operating always. Thank you very much. So I finish here with the hope of next year with better results. And COVID free world. Thank you, sir.

K K Bangur: Thank you. Can I now call upon Mr. Kirti Shah?

Coordinator: No, not available.

K K Bangur: Okay. Then we call upon next person, Abhijeet Panda.

Will somebody get him in?

Coordinator: Yes Sir.

Abhijeet Sir, please unmute yourself. Would you please unmute yourself?

Abhijeet Panda: Yes. Can you hear my sound?

K K Bangur: Yeah.

Abhijeet Panda: Thank you very much. Respected chairman and board of directors and our own fellow shareholder. Sir I am very satisfied with our company performance in this pandemic. situation. The backbone of any company is its management and employees. So I want to ask how the company has compensated the loss to the families in case of death of any employee due to covid? How many women employees are there and how many disable persons?

I would request you to contribute towards the beautification of West Bengal and Kolkata as the regional main office is here. For minority shareholders, the dividends should increase although Rs 5 per dividend this year was not bad either. I am certain that this will help our company grow. I hope from next year the dividend percentage will increase. Any plan to increase share capital? Any plans to introduce right issues? If Yes, then it will be very nice. There is a huge increase in the steel manufacturing sector. There should be an extra plant for steel manufacturing in West Bengal. There are a lot of young and talented people in West Bengal and it will be a good opportunity for them. In terms of CSR activity, it is quite satisfactory but is not fully satisfactory so we want that in pandemic situation for poor people you must contribute something permanently such as any employment opportunity if any. Haemophilia and Thalassemia is a genetic problem, so I would suggest that you must donate to these societies because these are very expensive treatment. As a responsible corporate, our company should take care of such welfare schemes. Minority shareholders attend your AGM every year, at least speaker shareholders should be given some festivity such as Deepavali and Durgapuja. I am an employee of Indian Railways the vigilance department. I especially took a leave to attend this AGM, I am sure other shareholders are also here by keeping their other work aside to make this AGM a successful one. A gift would motivate us. Thank you very much and my earnest request to you is to extend your manufacturing plant as it will help to create employment opportunities in West Bengal.

K K Bangur: Thank you. Thank you Mr. Panda. Can I now call upon Mr. Aspi Bhesania?

Aspi Bhesania: Sir, I am from Bombay, I am a shareholder for many many years but I could never attend your AGM. Sir, next year when the physical AGM start please continue with the video conferencing. Sir, during the profit before share of profit of associates and Tech's first stand alone is 271 crore and consequently dated is only 53 crores that means subsidiaries have incurred a loss of 218 crore. So, last year loss of subsidies was only 27 crore why subsidiary losses increased from 27 to 218 crore? it is entirely due to German subsidiary and again in q1 there is a small profit. So, how do you see the balanced year for the subsidiaries? Sir, thank you for dividend of Rs 5 which entail 100 crore outflow. So, what is your capex requirement and how do you propose to finance it? During the year we have invested in debentures of 428 crores which companies you invested? Sir, I appreciate your decision to invest in Sumitomo chemical. It's a very nice company, our company's net debt free for which I congratulate the management. Sir, prices of graphite are dependent on what factors? Is it entirely China? Or is it due to cost of production or whatever? Please inform how the prices are determined. And how do you see prices of graphite in the next two years? Sir thank you very much and all the best.

K K Bangur: Thank you. Can I now call upon Mr. Gautam Nandy?

Gautam Nandy: Good morning, Mr. Chairman, Board of Directors and my online fellow shareholders, myself Gautam Nandy, very old equity share holder of Graphite India Limited. So, firstly, I like to give thanks to your secretarial department for sending me annual report and other necessary relevant papers through email all in advance. So, so especially thanks to our respective company secretary, Mr. B Shiva and his whole team for rendering good services to our minority shareholders. Sir, you are organizing your AGM through video conference for

the second time. And I find it is again success. So thanks again. Sir. Sir, my earlier speakers already expressed their views and covered most of the points regarding accounts and performance of our company. Therefore, I don't like to repeat it. So, a few years back, we had faced two big giants, GST and Demonetization. This couldn't end and we already encountered COVID-19 first phase last year and this year third phase is going on. Each and every company is suffering very much but I am really glad very glad to see that despite a tough pandemic and the most challenging year you are trying your best. Even in the pandemic situations, the results are good. I hope that in normal position the results will be much better. Sir I am very proud to be a shareholder of your company. I am very hopeful towards the prospect of our company. I have full trust on your strong management. And therefore I have wholeheartedly support all your resolutions, and already have casted my vote. Nothing to say more today, time is very precious, looking forward with a positive outlook towards our company with good return and handsome dividend. May God bless you, Sir. Stay safe. Stay healthy. Thank you. Thank you very much.

K K Bangur: Thank you Mr. Nandy. Can I now call upon the last speaker Mr. Santosh Kumar Saraf ?

Santosh Kumar Saraf : Namaste Respected Chairman, Board of Director and my fellow mates. We are present here through video conferencing, I am Santosh Kumar from Kolkata. I hope that you all are safe and healthy in these covid times, Sir I would like to thank you that you offered such a lucrative dividend in these times of covid. And also thanks to all our employees for all their efforts. I would like to know what is our Capex plan for next 3 years? Is there any new estimated product or project according to our research and development? I would like to request you to throw some light on Self- dependent India and also on local for vocal? And also sir what are the steps that you have taken to reduce the use of single use plastic? And sir what is your plan for rainwater harvesting? I asked you yesterday also that have you installed solar panel in your plants? I would also like to know that have you made arrangements to vaccinate the families of your employees too? Because it is very important for the safety of our employees too. And also sir I noticed that no. of women employees are really less. Women employees are only 22. We should hire more women employees. In Olympics too, women have displayed their strength very well. Increase in the ratio of women will also reduce the cases of sexual harassment. I won't take a lot of time and pray for healthy life of the entire team. It is very good to connect through video conferencing so that it is easy to communicate through long distances too. Thanks for your precious time.

K K Bangur: Thank you. Thank you. I think all the speakers have spoken. I will try to respond to some of the questions. First of all, let me thank all of you who have spoken, you have given very valuable suggestions you have complimented the management and the company we are grateful to you. Some of you have raised concerns about pending dispute viz a viz is excise and customs. Of course, the disputes are long. Numbers are large, we are at it, takes time to resolve them. And being a large company with multiple locations. It takes a lot of time for many disputes to get resolved, but management is definitely pursuing resolution of each and every dispute. So please be rest assured. Regarding emission pollution control waste management, I think we are at the top of it. We have been investing money regularly in the

company to upgrade our plant and facilities to become greener. And our endeavour towards this will continue regardless of the change in any circumstances. We have supported our employees who have who and their families have been impacted by COVID. And we will continue to do so till this pandemic is behind us. Of course, some of you have talked about dividend being good. And I think our dividend policy has been consistent that we would give decent dividend subject to profits and it's always linked to profitability. The last year there was no profit despite that we gave 100% dividend and this year we have the board has declared a dividend of 250% which is subject to your approval. So we are all on the same page on this as your suggestion to go into steel manufacturing I'm afraid we are not keen to get into steel manufacturing, because that's a different core industry. Right now they're going through very good times they've had their share of problems in the past, we would rather be a supplier to the steel industry than be a customer ourselves. So, we will refrain from going into hardcore steel manufacturing we are into speciality steel, which is doing well and will grow that business but we will not get into any direct steel manufacturing we would rather continue to cater to steel industry. Our capex requirement is not very significant. We have been doing capex in upgrading our plants, changing old equipment with new equipments and most of our capex, of course, Durgapur is our biggest plant and most of our capex is directed there. So far as the question on the ventures invested, yes, these are all companies which are which have high credit rating, we are not investing into any company where the rating is not comfortable or not even investable grade. Prices of graphite electrode in future of course, nobody can predict this. But yes, we have had a trough, we have had a difficult time. We saw prices going south in a significant way. From those levels it has improved significantly. And as we see today, the prices are on the upward trajectory. Now how much it will move when it will move, I think it's too many dynamic are playing in the market and we are very watchful of that and we will definitely take advantage of any upward movement in the market. Somebody talked about women employees, let me assure you there is no gender discrimination in the company we encourage women employees and if there are good candidates who want to take up employment in the company on merits, we are considering them from time to time and we have no gender bias. As regards renewable energy is concerned, we are at it. As you may be aware that we are running a hydro plant in Karnataka for the last more than 20 years very successfully. We have put up some solar panels, which are in a in terms of our overall power requirement is very small, but we continue to look at opportunities to get into more and more renewable energy, because we being a power intensive industry, we would like to make make it neutral in terms of our power cost versus our own generation of renewable power. I think I try to address most of your questions.

Now I would request Mr. Shiva to take the proceedings further. Thank you

Mr B Shiva: Thank you, sir.

Dear Shareholders, the company has provided its members facility to cast their votes through remote Electronic voting system administered by CDSL. Facility to vote at the meeting is also provided to members present at the meeting and who have not yet voted. Members may go to the voting page of CDSL E-voting website and cast their vote. Mrs. Swati Bajaj, partner practicing company secretary has been appointed as a scrutiniser to scrutinise the votes

casted at the meeting and through the remote E-voting. Since the AGM is being held through video conferencing rather audio visual means and the resolution mentioned in the notice convening this AGM has already been put to vote through remote E-voting, there will be no proposing or seconding of the resolution. Thank you. I will hand it back to the chairman.

K K Bangur: Thank you Mr. Shiva.

Just one point I missed out to clarify. Somebody talked about loss of subsidiary. Yes, I mentioned in my opening remark that German operation suffered more than the Indian operations and they are getting back on track. So hopefully from the third quarter of this financial year, they will be back to its positive territory. Most of the losses hasn't been cash loss but substantial part of the loss has been on account of write down and inventories of higher cost. I hope I have addressed all the questions. I would like to thank all of you, all the shareholders for taking this initiative to join the meeting today through video audio means. I would now authorize Mr. Shiva, the company secretary 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 casted vote and would like to cast their votes. The results would be announced within 2 working days and the same would be intimated to stock exchanges and uploaded on the company website and CDSL. With your concern, I and other board members would like to leave the meeting and wish all shareholders a healthy and safe future. Thank you.

Mr. B Shiva: Thank you Sir.