

GRAVITA INDIA LIMITED
27th Annual General Meeting

Day	Friday
Date	20 th September, 2019
Time	11:00 A.M
Venue	'Saurabh, Chittora Road, Harsulia Mod, Diggi- Malpura Road, Tehsil Phagi, Jaipur-303904

Chairman's Speech- AGM 2019

A very warm good morning to each and every one of you.

It gives me great pleasure to welcome you to the 27th Annual General Meeting of Gravita India Limited. The Annual Report for the year ended 31st March, 2019 along with the Directors' and Auditors' Report and Management's Discussions and Analysis Report have already been circulated to you. With your permission, I would like to take them as read.

Brands take a long time to build, and are an outcome of how we conduct ourselves with our stakeholders. Our values guide us in everything we do, and are core to the reputation for trust and integrity that we have built up over the decades. Your Company has shown itself to be immensely entrepreneurial, agile, adaptive and innovative over the years, and these attributes will continue to serve it well in the years ahead.

During F.Y. 2018-19 the International Commodity Market has seen downward trend which was largely due to slow down in Chinese Market. Commodity prices in the third quarter of 2018 were buffeted by geopolitical and macroeconomic events. Inventories have also fallen to the lowest level in nearly 10 years. Lead prices are projected to gradually increase in the coming financial years but remained 11.60 percent lower than in 2017-18.

More stringent environmental regulations in China restricting the recycling of lead scrap materials, which accounts for more than two-fifths of total refined production, presents an upside risk to the forecast. Over the medium term, a shift toward electric vehicles is likely to depress demand for lead, which is heavily used in batteries for internal combustion engine vehicles but not in electric vehicles.

The International Lead prices have seen levels of below \$ 1,966 and average of \$ 2,120 during the period. The industry was also affected by currency fluctuations, sluggish demand, consumer down trend and continued to be fraught with challenges.

We have been consistently increasing our production capabilities to make Gravita self-sufficient. The overall industry is undergoing rapid changes and it has become essential to continuously refine and sharpen our capabilities. While responding to these changes is imperative, response capability alone will not be sufficient to generate long term sustainable value for stakeholders. Anticipation of the future shape of the industry and taking steps today, to rightly position the Company is extremely important

Despite of all internal as well as external factors the company performed rationally well and on operational front we experienced a volume growth of around 23% from our existing plants and the ones which were established in recent years.

We expanded our product portfolio, capacity, presence, and customer base. We have started the production of PPCP Granules from our Plant situated in Chittoor, Andhra Pradesh.

Further the company has increased the capacities of the existing plants situated in Phagi and Chittoor and obtained ILA (International Lead Association) approval for our Phagi Plant, Jaipur.

I would now like to present the salient features of your Company's performance during the F.Y. 2018-19.

Consolidated Financial Highlights:

- Consolidated Revenue stood at Rs. 1241.72 Crores against Rs. 1029.47 crores crores in F.Y. 2018-19 depicting a growth of 57%.
- Net Profit after Tax and Minority Interest during the year stood at Rs. 16.20 crores.

Future Plans

Moving ahead, we will focus on increasing our margins and profitability by enhancing our value-added products segment. The company has plans to establish some more scrap collection yards in Nicaragua to have deep routed procurement network which will result in increased volumes of local scrap at cheaper prices. Also the company is increasing its customer base to have better sales realization for its plastic products.

The Company is in the process of shifting its existing Gandhidham facility to Mundra. This will save the logistics cost as Mundra facility is much closer to the port than Gandhidham facility and company will also save the lease rentals which are being paid for Gandhidham facility. Furthermore, the above expansions will increase the share of business from overseas market which will result in higher margins.

Corporate Governance & Corporate Social Responsibility

At Gravita CSR activities are as important and critical as business processes. Gravita Group, through its CSR initiatives, has been involved in making holistic and meaningful contribution to the society. Along with business values, it is the company's vision of maintaining environmental integrity which has enabled us to extend these CSR initiatives beyond our core business objectives & practices. Our CSR policy encompasses initiatives to conserve, sustain and renew our environment to encourage a self-sustainable system.

Acknowledgement

As Gravita touches new heights, I would like to express my wholehearted gratitude towards all stakeholders, right from our esteemed shareholders, the communities we engage with, consumers we do business with, regulators, the Government, employees and each and every individual involved in our journey so far for their continued trust in the company. I look forward for reinvigorated confidence and support for years to come as Gravita embarks upon next phase of growth.

Thank you all!