

**GRAVITA INDIA LIMITED**  
**29<sup>th</sup> Annual General Meeting**

Day	Monday
Date	27 <sup>th</sup> September, 2021
Time	01:00 P.M

**Chairman's Speech - AGM 2021**

A very warm welcome and Good Afternoon to each and every one of you.

It gives me great pleasure to welcome you to the 29<sup>th</sup> Annual General Meeting of Gravita India Limited. I hope that everyone is keeping safe and well during these unprecedented times.

The year FY 2020-21 started in challenging market conditions with Covid-19 pandemic impacting a major part of the last year and posing extreme challenge to communities and businesses. In such an environment, I am immensely proud of the way Gravita responded by adapting work practices to provide safe, reliable and efficient services to our customers, despite the major disruption caused by the pandemic.

Our top priority remained the safety, health and well-being of all Gravita's staff, contractors, customers, and members of the public. In response to the deteriorating situation, we rapidly established a Business Continuity Plan and COVID-19 response under the direct supervision of the senior management team that continues to meet regularly to discuss the evolving situation and take decisive action. At a very early stage, we established three absolute priorities:

- Keep our people safe
- Keep operating in a sustainable manner
- Maintain our essential services to our customers

Against this backdrop, I'm pleased to report that Gravita has performed with resilience during COVID-impacted year and our financial performance was more robust than we had originally anticipated. This performance was a reflection of the sheer dedication and commitment of our people and I must especially compliment senior management for leading from the front in a challenging business environment.

During the year, the Company continued with its rigorous and pragmatic strategy, focused on the dual momentum of achieving both growth and efficiency. We continued to deliver on our plan to consolidate the fragmented resource collections market and maintained focus on initiating multiple growth fronts.

The growth momentum was also further propelled by enhancing existing efficiencies and plant utilization levels. In order to ensure seamless management of a growing business, we have

placed emphasis on automation of all head-office processes, which will also improve our capital allocation and decision-making strategies.

I would now like to present the salient features of your Company's performance during the F.Y. 2020-21.

### **Consolidated Financial Highlights:**

- Consolidated Revenue from Operations stood at Rs. 1,410 Crores against Rs. 1,348 crores in F.Y. 2019-20, a growth of 5% year-on-year
- EBIDTA for the year stood at Rs. 117 Crores, with a year-on-year growth of 20% from Rs. 97 Crores in FY 2019-20
- Net Profit during the year stood at Rs. 52.5 Crores with a phenomenal growth of 60 % on year-on-year basis

Overall Non-Lead businesses, comprising of Aluminium, Plastic recycling and Turnkey services performed well during the year and contributed over 12% to Revenue from Operations of the year, as against 11% in the previous year despite a sharp temporary reduction in our turnkey projects business, which was an outcome of customers withholding or deferring capex. We believe the impact is transitory and turnkey projects business is expected to fully recover over the next two years.

During the year, we have also streamlined the operations of Ghana and Tanzania Projects which delivered a Revenue of Rs. 137 Crores and Rs. 77.00 Crores and Net Profit of Rs. 4.16 Crores and 8.85 Crores, respectively.

On operational front, company saw improvement in domestic scrap collection with share of India increasing to 45% in current year from 29% in FY 2019-20. Further, company has increased the share of Value-added products in the Total Sales, which is a value accretive and higher margins segment.

We are moving forward with a prudent capital structure, our debt-equity ratio has improved to 0.95x in FY 2020-21 from 1.21x in FY 2019-20. Return generated in Capital Employed has also improved to 17.8% in FY 2020-21 from 15.4% in FY 2019-20, due to improved performance on all fronts of the company.

### **Future Plans**

The pandemic has provided an opportunity for introspection and self-reflection to businesses and society. This has given strength to the growing body of opinion amongst the investor community and society in general that businesses should profit through a meaningful purpose, give greater credence to all stakeholders, and ensure sustainability is embedded in the way every business operate.

At Gravita, we have long held the view that sustainability is key and that we should take into account the needs and expectations of all our stakeholders, whilst generating financial returns to our shareholders. It is imperative and our business philosophy that we contribute to the health of our planet by intensifying our efforts in resource recycling in which we have built deep competence and expertise and expanded operations to global scale.

We have an ambitious approach towards sustainability, and we aspire to become a more integrated part of the green economy. Furthermore, the progress we have achieved in delivering our business strategy during the year, such as expanding our plastic recycling operations which witnessed a strong 29% sales volume jump, better margins derived from our Aluminium recycling operations and improved margins in our Lead business via higher value-added product sales, as well as capacity enhancement in our overseas Lead recycling facilities and numerous other initiatives, positions us well for the future.

Thus, reinforced with a sound business plan and strong and efficient operations, we have articulated “Vision 2025” that outlines our next phase of growth. We intend to venture into recycling of new resources, such as e-waste, lithium, rubber and copper, and are expecting 25%+ revenue contribution from non-Lead businesses. We will continue to make investment in our Lead, Aluminium and Plastic recycling businesses, thus expanding our core strength and at the same judiciously allocating capital to enlarge our footprint in other chosen verticals.

What sets Gravita apart is our clear understanding that recycling of scrap and other waste is the most viable, sustainable, and scalable route to protect the environment from degradation and foster a positive impact on climate change.

### **Acknowledgment**

Before I conclude, I extend heartfelt thanks to all our stakeholders who have been a part of our growth journey. As Gravita touches new heights, I would like to express my wholehearted gratitude towards our esteemed shareholders, the support of the communities we engage with, consumers we do business with, Regulators and the Government which are extending policy support, our hard-working employees, and each and every individual involved in our journey so far, for their continued trust and support to the company.

Lastly, I would like to reiterate the growing importance of sustainability, the countries and corporate’s goal towards carbon neutrality has further highlighted the need of recycling. Our business fundamentals are fully aligned with the circular economy concept and Gravita India as an organization is proud to be an integral part of the movement towards greener economy. I certainly look forward to reinvigorated confidence for many more years to come as Gravita embarks upon the next phase of growth.

**Thank you all!**