

**GRAVITA INDIA LIMITED**  
**32<sup>nd</sup> Annual General Meeting**

Day	Wednesday
Date	18 <sup>th</sup> September, 2024
Time	01:00 P.M

**Chairman's Speech - AGM 2024**

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

It gives me great pleasure to welcome you to the 32<sup>nd</sup> Annual General Meeting of Gravita India Limited.

We at Gravita stands to derive substantial benefits from our focus on recycling materials. Environmentally, the company will contribute to resource conservation and reduction of greenhouse gas emissions, aligning with global sustainability goals. Economically, recycling operations offer cost advantages over producing new materials, enhancing profit margins and market competitiveness. Strategically, a strong emphasis on sustainability bolsters our Company's brand image, attracting eco-conscious customers and investors. Moreover, investing in advanced recycling technologies positions our Company as an industry innovator, opening avenues for new product development and market expansion. Added, proactive engagement in recycling ensures compliance with environmental regulations, mitigating risks and ensuring operational continuity.

Our diversified portfolio spans four key business verticals: Lead, Aluminium, Plastic, and Rubber recycling. With a global presence, we operate 11 state-of-the-art manufacturing plants spread across 32 countries, demonstrating our commitment to environmental stewardship on an international scale.

Our extensive network includes 31 dedicated yards and 1,700 touch points, enabling us to maintain a robust scrap collection capacity exceeding 250,000 MT. Our production capabilities are equally impressive, with the capacity to recycle over 302,859 MT of various products. Over the past year, we delivered approximately 169,000 MT of high-quality recycled products to more than 350 satisfied customers, achieving a capacity utilization rate of 58%.

Our order book stands strong with over 60,000 MT of various products, reflecting the trust and confidence our customers place in us. Notably, 45% of our revenue is derived from the sale of value-added products, underscoring our ability to innovate and meet the evolving needs of the market. These achievements highlight our operational excellence and reinforce our commitment to driving sustainable growth and creating a circular economy.

I would now like to present the salient features of your Company's performance during the F.Y. 2023-24.

- Our net sales for FY 24 reached an impressive Rs. 3,161 Crores, showcasing a notable increase from 2,801 Crores in FY 23. This growth underscores the effectiveness of our market strategies and the strong demand for our recycled products. Domestic sales contributed 62% to the total sales, while our overseas markets accounted for 38%.
- This balanced approach has enabled us to mitigate risks and leverage opportunities across different geographies. In terms of profitability, we achieved a Profit after Tax (PAT) of Rs. 239 Crores in FY 24, compared to Rs. 201 Crores in the previous fiscal year. Our PAT margin improved to 7.57% in FY 24 from 7.18% in FY 23, reflecting our focus on cost efficiency and value addition.
- The capital employed during the year was Rs. 1,408 Crores against Rs. 959 Crores in the previous year, indicating our investments in expanding capacity and enhancing operational capabilities and our Return on Capital Employed (ROCE) stood at 25%.
- In Tanzania, we expanded our lead recycling capacity to 12,000 MTPA with a capital expenditure of Rs. 3.33 Crores. Additionally, we initiated plastic recycling operations with a capacity of 1,800 MTPA, supported by a capex of Rs. 2.25 Crores. Furthermore, we ventured into rubber recycling, establishing a capacity of 3,000 MTPA through a capex of Rs. 3.86 Crores.
- In Togo, we initiated commercial production of lead at our existing recycling plant, boasting a capacity of 6,000 MTPA (Metric Tons Per Annum). This expansion was made possible through a capital expenditure (capex) of Rs. 3.61 Crores, which was funded through internal accruals.
- In Mundra (India), we increased our lead recycling capacity to 60,000 MTPA. Additionally, we commenced production of value-added Red Lead with a capacity of 4,800 MTPA. We also began recycling plastic, achieving a capacity of 7,500 MTPA.
- In Chittoor, India, we expanded our lead recycling capacity to 64,640 MTPA at our existing facility. This was achieved through a capital expenditure of Rs. 21 Crores, funded from internal accruals.

Throughout the year, we continued to execute our strategy, enabling us to strengthen our network of solid globally-spread infrastructure assets, which are key to sustainably aggregating and recycling resources generated across India and the world. This comprises our basic focus on breaking barriers and higher for a sustainable future.

### **Future Plans**

As part of our commitment to resource diversification and revenue growth outlined in our “Vision 2028,” we have expanded our focus beyond Lead, Aluminium, Plastic, and Rubber recycling to

include lithium-ion, steel, and paper recycling. Leveraging our proven expertise and capabilities in safe and reliable recycling, we are confident that our entry into these new verticals will be smooth. This strategic move aims to accelerate cash flows and liquidity, ultimately building a strong foundation of growth capital for the Company.

Not only segment wise but company is also expanding geographically and recently the step down subsidiary of the company has signed an MOU for acquiring waste Rubber Recycling Plant in Europe. This will be 1<sup>st</sup> recycling facility of the company in Europe.

I would like to highlight that our competitive advantage is well-protected due to the significant barriers to entry we have in place. These barriers include specialized industry knowledge, lengthy OEM approvals, established multinational and multilocal procurement and customer networks, as well as necessary government licenses for imports. As a result, we are not only able to safeguard our market share but also have the potential to expand it.

As we look ahead to 2024-25 and beyond, the hard work, dedication and focus of our employees on long-term value creation for our shareholders will continue to drive us and because of that I know that the future of the company will be brighter.

### **Acknowledgment**

At Gravita, we not only focus on hiring the best talent, but we also invest in their continued development. Our performance driven work culture motivates people to improve their skills and overall job performance. Our employees are provided with the opportunity, resources and tools they need to grow and prosper. We remain focused on enhancing personal and professional growth, creating an inspiring environment.

A business is a living organism, and its survival is dependent on contributing to the community. At Gravita, we are actively involved in empowering the communities around us through our CSR initiatives in the areas of education, healthcare and environment preservation in partnership with various NGOs and non-profit organisations.

None of the above could have been achieved without the commitment of each and every employee of the company. On behalf of the entire Board of Directors, I would like to thank all of the stakeholders of Gravita India Limited whose efforts made FY 23-24 a successful year. I would also like to thank all the shareholders of the company for your continued support and cooperation.

**Thank you all!**