

## **TRANSCRIPT OF THE 67<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF CARBORUNDUM UNIVERSAL LIMITED HELD ON 2<sup>ND</sup> AUGUST 2021 THROUGH VIDEO CONFERENCING**

### **CHAIRMAN:**

Ladies and Gentlemen,

I have great pleasure in welcoming you to the 67<sup>th</sup> Annual General Meeting of the Company convened electronically through Video Conference. I hope you and your family members are safe and in good health.

In view of the prevailing COVID-19 pandemic situation as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') and has also allowed companies to send the Annual Reports and Notice convening the AGM electronically.

Considering the health and safety of our stakeholders and in particular, the shareholders, this meeting is being conducted virtually to avoid the physical presence of members at a common venue. The soft copy of the Annual Report 2020-21 has been sent to all the Members holding shares in dematerialised mode and whose e-mail addresses are available with the Depository Participant(s) as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company or the Company's Registrar and Transfer Agents.

The requisite quorum is present and therefore, I now call the meeting to order.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of contracts or arrangements in which the Directors are interested, the Certificate obtained from the Statutory Auditors of the Company confirming that the Company's ESOP Schemes have been implemented in accordance with SEBI Regulations & the resolutions passed by the shareholders in this regard and other documents mentioned in the Notice convening this meeting is available for inspection by the Members and those of you seeking to inspect these documents may contact the Company Secretary.

Since the meeting is being held electronically, the proxy related procedures have been dispensed with which is in line with the regulatory requirements.

Ladies and gentlemen,

May I now introduce to you our Board of Directors, our Auditors, and our senior colleagues in the leadership of the Company who are all attending this meeting.

Today, we have a full board in attendance. First, let me introduce to you Mr. Sanjay Jayavarthanelu, who is joining us from Coimbatore. He is the Chairman of our Audit Committee and also the Nomination and Remuneration Committee. Mr. Aroon Raman, joining us from Coonoor is the chairman of our CSR committee, Mr. P. S. Raghavan, who is joining us from Bangalore today is the Chairman of our Risk Management Committee.

Mr. Sujjain Talwar joins us from Mumbai today and Mrs. Soundara Kumar is joining us from Coimbatore this afternoon.

With me here from Dare House, in Chennai, I have Mr. Sridharan Rangarajan, our Executive Director on my left and Mr. N. Ananthaseshan, our Managing Director on my right and Rekha Surendhiran, our Company Secretary on my right and Mr. Padmanabhan, our CFO on my left.

We have members of the leadership team of CUMI also joining us, Mr. Ninad Gadgil, who heads the Abrasives division joining us from Chennai, Dr. Shyam S. Rao, who heads Industrial Ceramics division joining us from Bangalore, Mr. M. V. Sivakumaran, who heads our Electrominerals division joining us from Cochin, Mr. V. G Rajendran, who heads our Refractories and Composites division joining us from Chennai, Mr. Bhaskaran Kannun, who is our head of Human Resources also joining us from Chennai.

We have our Statutory Auditors, M/s. Price Waterhouse Chartered Accountants LLP with us today and they are represented by Mr. Subramanian Vivek, partner. Mr. R. Sridharan of M/s. Sridharan & Associates, our Secretarial Auditor has also joined this meeting.

Your Company by virtue of being a listed Company is required to provide an e-voting facility to its shareholders. Voting by show of hands is therefore no longer permitted.

The Company has engaged the services of M/s. KFin Technologies Private Limited to provide the facility of remote e-voting to all its members so that they can cast their votes on all businesses contained in the notice. Voting will be in proportion to the shares held by the members as on a cut-off date and this cut-off date was 26<sup>th</sup> of July 2021.

In line with regulatory requirements, the remote e-voting facility had been provided to the members for five days, starting from the 28<sup>th</sup> of July 2021 till the 1<sup>st</sup> of August 2021 after which the module was disabled for voting by KFin.

As mentioned in the notice convening the meeting for such of those members who did not or could not avail the remote e-voting facility, the Company is pleased to provide the facility to cast your votes electronically during this Annual General Meeting on all the proposed resolutions through KFin's Instapoll mechanism. The Instapoll facility will be activated at the end of this meeting. Members can avail this facility and cast their votes on the resolutions stated in the notice. Let me reiterate that this facility is available only to members who have not cast their votes through the remote e-voting facility provided earlier by the Company. In case any member who has already voted in the remote e-voting, he or she will not be able to cast a vote again through Instapoll.

The Board has appointed Mr. R Sridharan of M/s. R Sridharan & Associates, practicing Company Secretaries for scrutinising the e-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the scrutiniser, who will then unblock the results of the remote e-voting, which will then be consolidated with the results of the voting done today. The voting results along with the scrutiniser's report will be communicated to the Stock Exchanges within 48 hours and the same will be placed on the website of the Company, as well as on the e-voting platform of KFin.

So, let me take you through the schedule of this afternoon's meeting, I will make some brief remarks about the performance of the Company for the financial year 2020-21 and

this will be followed by a presentation by our Managing Director, Mr. N. Ananthasehsan, who will share the operational highlights for the year 2021.

After the presentation, those of you holding shares in your name and who have registered as a speaker at the meeting will be invited by the moderator. Considering the time of all those attending the meeting, we request all speakers to be brief and restrict their conversations to matters relevant to the business contained in the AGM notice. All questions or queries raised by speakers who have already registered in the link provided by KFin will be tabulated and we will answer them. Either I will answer them or my colleagues will answer them. After the queries have been answered, the meeting will conclude and those of you who have not cast your votes will have the opportunity to cast them thereafter.

Now, let us proceed with the meeting.

Ladies and gentlemen, the Annual Report for the financial year 2020-21 has been sent to you some time ago and I trust it would have given you an overview of the performance of the Company.

Year 2021 has been a very challenging year and a year in which the COVID -19 pandemic unleashed its full wrath. With all economic activities coming to a near standstill at the start of the year due to the nationwide lockdown imposed in India and also in many other parts of the world, the first quarter performance of the financial year 2020-21 was very severely impacted. Though the situation improved in the second half of the financial year, a second wave of the infection, again caused intermittent disruption. Despite the slowdown in the first quarter, the performance in the remaining quarter witnessed a strong comeback, ultimately resulting in a marginal growth overall in revenues. Prudent liquidity, and focused cost management initiatives, backed by TPM practices, increased the overall efficiencies, as also improved profitability. The start of the year has also had its share of lockdowns and restrictive conditions. Even today, as we start the year 2021-22, while we do see an overall dip in the infection rate of COVID -19 we will not let down our guard. The safety of all our stakeholders' remain our top priority as continue to balance lives and livelihoods.

Despite the challenging year 2021, the Company continued its commitment to its shareholders and paid out an interim dividend of Rs. 1.50/- per share and there is a proposal for a final dividend of another Rs. 1.50/- rupees per share, thus taking the total dividend to Rs. 3 for the year, which is higher than the previous year.

The largest business of the Company Abrasives recorded a marginal decline of 0.2per cent at the consolidated level and a marginal growth of 0.4 per cent on a standalone basis in the backdrop of the pandemic induced downward trend in demand during the year. However, the business continued to focus on expanding its distribution network and it brought in a slew of digital initiatives and I'm sure that this will yield good results in the coming years.

The Ceramics business, though recording a marginal decline both at the standalone and consolidated levels, recorded good profits and this was because of again, effective cost management and a favourable product mix.

In some of its product lines, the business has positioned itself as a global player with smart manufacturing initiatives as part of the Company's overall sustainability goals, which you

will see is the theme of this Annual Report and also will indicate commitment to the environment to sustainability issues and good governance.

The Company also has in collaboration with the Gas Authority of India transitioned from liquid fuel to a cleaner fuel such as natural gas. This transition has just happened a month ago. Global trade tensions with China and other countries in the world, shortages in supplies there, as well as increasing demand for minerals benefited the Electrominerals division of the Company. This division saw good growth in revenues and a substantial growth in profitability, both in India and in our Russian Subsidiary Volzhsky Abrasive works both of which operated at optimum capacity utilisation thus yielding overall positive results. Financial year 2020-21 was a very mixed year. Difficulties to begin with, a progressive improvement through the rest of the year and again concerns towards the end of the year.

Moving into 2021-22, the Board met earlier today to review the first quarter performance. Let me share the unaudited financial results of the first quarter. So, the revenue from operations stood at Rs. 705 crores compared with Rs. 443 crores in the corresponding period last year. The net profit after tax on a consolidated basis was at Rs. 78 crores, and we'll share with you more details during the presentation.

To me, always focus is on long-term vision and long-term goals. Being a Company, which is committed to material sciences, research and development forms a very big part of the Company's strategy. We strongly believe that only a continuous pursuit of innovation and sustainable processes aligned to a more responsible use of nature's resources will provide an enduring growth. Our R&D teams across the Company have been working full-fledged to enhance our offerings, not only in the core and adjacencies, but also to get some breakthrough solutions going forward.

In all this, people are our core strength and the involvement and the commitment of our people is very commendable. That dedication and the diligence was seen in more than ample measure during the pandemic situation and it continues even as I speak. With the help of technology and the willingness to adapt, our people were very quick to transit to the new normal, and consequent newer methods of working. Plants which had to be shut down owing to the nationwide lockdown were resumed, in line with the guidelines issued from time to time, and all safety and health protocols were ensured while keeping the operations running. They continue even till this day; we have not let up at all. During the second wave of the pandemic, early this year, all our plants operated not at the fullest level, but they did operate without much significant disruption. Our colleagues showed exemplary resilience in not only handling a crisis as severe as the pandemic, but have also been able to deliver modest growth.

Unlike the first wave of the pandemic, the second wave, unfortunately, has resulted in higher cases of infection amongst our colleagues. We have had 780 persons infected overall, and the second wave contributing to 494 cases. Sadly, we have lost seven of our colleagues, despite the care administered to them within the group. We have lost some of our long-associated dealers and channel partners in the second wave. We express our heartfelt condolences to all those who have lost their loved ones during this pandemic.

We at CUMI, are fully committed and assure you of all the necessary support and welfare measures that have been rolled out. As we speak today, the number of active cases across the Company are just about five with no severe infection and we keep our fingers crossed and we will continue to keep the discipline and protocol going forward.

The Company is also socially responsible and this year, our social responsibilities were a mix of spending on the pandemic-related issues as also our core focus on education and health care. Details of this are available in the report on corporate social responsibility.

In all this, Ananthaseshan and his leadership team have led the Company admirably and continue to do so. I am indeed grateful to all of them, as also all our colleagues across the Company and teams from across the world, particularly in Russia, in South Africa, in Australia, the United States of America, in Thailand etc. who all done their very best and continue to put their best foot forward. All this is possible because we have the support of a very eminent, capable, experienced and inspirational Board of Directors. They have given their time very generously and have been of great support to our leadership team and to me, personally. With their continuous support and guidance, the Company will take up further challenges with cautious optimism. I thank them profusely for their wise counsel.

During the year, Mr. Arun Murugappan stepped down from the Board because of his other corporate commitments. We greatly appreciate his time with us and thank him for his services as a Director of the Company. I'm also very pleased to welcome Mr. Sridharan Rangarajan to the Board. He is no stranger to CUMI, having started as its CFO in 2011. He will focus on the strategic initiatives of CUMI and also keep a view in his area of expertise within finance, both domestically and internationally. I'm sure CUMI will be greatly benefited by Sridharan's experience.

Mr. P. S. Jayan, who headed the Electrominerals division, retired after serving the Company for over 35 years. We thank him for his contribution to CUMI and we wish him well in his retirement. Jayan is succeeded by Mr. M. V. Sivakumaran who has been with CUMI for 25 years with significant experience in Industrial Ceramics and also Abrasives. We wish Sivakumaran all the very best in his new assignment. We also have as a head of Human Resources, Mr. Bhaskaran Kannan and we have Mr. Padmanabhan who has taken charge as the CFO. We wish both of them all success in their assignments.

To all of you stakeholders -shareholders, customers, suppliers, vendors, bankers, business partners, regulatory authorities, we thank you for your continuing support and encouragement to us. This is a time of great change and great uncertainty and what we need most is your support, which gives us the courage and conviction to remain resilient and build a very sustainable future. Thank you all very much once again.

May I now request our Managing Director, Mr. Ananthaseshan to give you the highlights of 2021 and how the year 21-22 has started. Ananth over to you.

**N. Ananthaseshan:** - Thank you sir.

Good evening, ladies, and gentlemen.

I will now take you through the highlights for the past year and also touch upon how we have fared in this quarter.

.

For some of you who may be not so familiar with CUMI, CUMI started off in 1954 as largely an Abrasives manufacturing Company. Over the years, CUMI has built a portfolio of product lines, which includes Abrasives, Ceramics, Refractories, Composites and Minerals. Till about 1990s, early 90s, CUMI was largely an Indian Company and later on grew both organically and inorganically across the globe.

Today, CUMI has evolved into a Company which manufactures not just products, but offers solutions. The Company is today at an intersection of what we call materials chemistry, materials physics and materials processing, offering material science solutions engineered to address industrial problems in the field of surface engineering, heat containment and management, wear and corrosion resistance and other mission control, mission critical applications. What we have today is are products as humble as a two-dimensional coated

abrasives to as sophisticated as diamonds impregnated into steel. And that is a range of capabilities that this Company has built over time.

To the Board of Directors - I'm extremely thankful for their support and guidance over this last very difficult year. The Board comprises of very eminent personalities and a wide range of expertise. Hence, sincerely thank them for the guidance to me and to the team.

Our leadership team comprises of very capable and experienced people not only experienced in the Company, but in their respective domains as well and I thank them for their support during these very, very difficult times.

Today, CUMI is present across the globe. We have manufacturing locations in India, Russia, Australia, and in South Africa. We also have marketing entities and distribution entities across the globe.

CUMI has evolved over these years focusing on material solutions and while we make materials that matter, we also realise that going forward sustainability matters. This lesson has been brought to us very sharply and truly by the pandemic. Over these 67 years, this Company has been very resilient and this resilience has been because of its diversity in product segments, geographies, and customers supported by strong backward integration in terms of raw materials and energy sources and all of them propel forward by a great set of people who drive innovation and build those capabilities, which enables us to grow. We also see that this is what helps the Company in strengthening the core and building new raw materials for emerging applications.

To what I would like to present to you today is an example of how a Company of our size and our nature, very complex, has put together a set of processes, products and people and supported by resources in a very sustainable manner. So let me start with the resources that we have.

.

This is a view of our hydel power plant which supports the Electrominerals division in Kerala. The significant portion of the mineral division's requirement is from green energy today. Last year, I'm happy to share that this power plant also won the Sreshta Suraksha Puraskar for safety. In keeping with our sustainable goals, we have also embarked on a plan to green our power sources. So now you will find many of our factories, the roof tops going solar. What we have done is we have installed currently about 250 kilowatts of power of roof panels and which will be about two megawatts by the end of this year. So, what we have installed has saved us several tonnes of carbon dioxide emissions and an equivalent of 1,750 trees across all our plant locations.

This is a shot of the graphene facility which we have in Cochin. True to nature, it is delivering more from less. So graphene when used in minute or minimum proportions supremely enhances the properties of materials and helps us deliver results in quality terms. So, this facility has now developed products for newer applications like optoelectronic devices, nano components and energy storage. During the last year, inspite of the pandemic or while handling the pandemic, the teams also installed and commissioned capabilities which will deliver future results.

So, this is a view of the Sintered Silicon Carbide Ceramics facility in Hosur.

This facility, again, which was installed last year, is a furnace for manufacturing metallized cylinders. This goes into the vacuum interrupter devices, which finds use in power transmission, both fossil fuel and renewables. This facility which manufactures white-fused alumina is another example of how the teams have worked to improve their efficiencies and lessen the energy density or energy intensity of our processes. So, improving efficiencies and using less electricity, has been the theme at these plants and these are the materials which will find increasing use both in Abrasives and in the Refractories, for heat containment.

.

Teams at the Refractory units had worked on manufacturing what we call the thin nitride bonded silicon carbide kiln furniture. These are the products which will reduce again, the energy for the end-user. So, the specific energy that is required to make Ceramics comes down dramatically and also improves productivity for our customers. Here again is another example how we stretch scarce resources.

The teams also worked on building new products and of much higher quality and precision. So, this is an example of the feeder channels for the container glass industry and Glass is one area which is again poised to grow significantly over these years.

Our Chairman shared about our efforts in terms of collaborating with GAIL to set up a natural gas as an alternative fuel for liquid fuels, new processes in our Ceramics and Abrasives units. So, this is a shot of the system that we have put in place now, which will enable us burn clean fuel and with very low emissions. We also save a lot of diesels which is normally used to transport these fuels to our locations.

Our Composites division manufactures large parts not only for the chemical industries, but also for the renewables industries, like the windmills like the nozzle covers for the windmills, and also in what we call the mobile towers.

Our factories in Russia invested in increasing the capacities for making nitride bonded silicon carbide refractories for the heat containment of incinerator plants. These plants burn waste or what we call the municipal waste and generate electricity. So, this is our contribution in ensuring we have a cleaner Earth going forward, while using the waste to provide energy to the world. This is another example of how committed we are to ensuring that all of our processes finally have zero waste. So, that is our dream and this building is one which has been built completely through use of scrap material generated in the Coated Abrasives manufacturing process. So, leveraging our capabilities of making Composites, panels were manufactured and this entire building has been built. We also recirculated or recycled a large amount of a waste into useful products.

The Volzhsky Abrasive works facility in Russia, which manufactures silicon carbide installed a gas treatment facility for cleaning emissions from the silicon carbide furnaces. This effort was also recognised by the Government of Russia and VAW was recognised as a winner in the 16<sup>th</sup> leader of environmental activities in Russia 2020 competition.

Now, at the core of the Company is the people. So, to ensure that we have a culture that is very innovative, collaborative, and networked, we have set up what we call a base platform. This provides people in the Company an opportunity for self-directed experiential learning and leverage or use their energies on projects of their choice.

During the pandemic, the Company also invested time on the people through e-learning. So, the e-learning modules which were rolled out was utilised by more than 795 users and 2477 modules were used and completed by the participants.

The other factor about people is mentorship. So, here we provide an opportunity for a voluntary self-directed mentoring programme which puts together very experienced people in the plant, in the factories or in the offices and where youngsters or newcomers to the Company can engage with them and learn about the culture of the Company as well as skills. So, there is a bit of a hand holding and which makes it easier for the newcomers to join the Company and absorb its culture. This programme was also awarded by the Confederation of Indian Industry as a very unique mentorship programme.

Innovation has been at the heart of CUMI for many years and new product development needs a framework beyond what we are already doing. So going into the future, we have chosen the UN sustainable developmental goals as a framework for driving innovation and new products. Currently, we address some of the goals with our existing core products.

Going forward, we see opportunities for materials in spaces including zero hunger, good health, clean water, clean air, and sustainable cities. Examples are graphene for reduction in energy, consumption in electric vehicles, and silicon carbide for electric vehicles offer light weighting. So some of these are examples of advanced materials, which we will go into, meeting our sustainable goals for the future.

The Company also drives as I said, innovation and new products which results in IP creation. In this last year, we have been granted seven patents and several design registrations/trademarks. We have also filed for additionally five patents, three design registrations and six trademarks which is a continuous effort to build our IP repository. This is a reflection of all the new products in both in Precision Abrasives and in the Coated Abrasives which we have developed and launched last year. Products from the Industrial Ceramics portfolio include product for armour and for Electronic Ceramics as substrates, which is called the Tape Cast Alumina Ceramics. The range of products from Minerals, Refractories and Composites are shown here. So, right from manufacturing Fused Yttria stabilized Zirconia, which goes as possibly coatings on turbines to making carbon fibre composite drone parts, the Company has widened its portfolio.

.

Volzhsky Abrasives, Russia celebrated its 60<sup>th</sup> anniversary on 22<sup>nd</sup> of April 2021. This is a screenshot of the celebration, which was attended by the governor of Volgograd and also the retired employees of the Company. A very elegant function, which showcased the improvements done after CUMI took over this facility in 2007. So many of the old timers were very appreciative of the progress that CUMI and VAW together have created and this shows now as a classic example of good cooperation between the two countries.

There's another picture of the retail shop that of the Abrasives division of VAW set up in Volzhsky. So, this is a retail shop selling Abrasives and this is a pilot which we would expand in other parts of Russia as well.

The last year has not been a very great year and all of us have experienced it. It was a very unprecedented year. So the year started with absolute unknowns and people across the plant followed Covid protocols to ensure that we are safe and maintain these the social distancing, ensure that everybody wore PPEs while at work and ensured the safety of the of the plants and the people.

So as we move this year into the second wave, we also started our drive for vaccinations. Across plants, we have driven vaccination programmes, vaccination campaigns, which included not only the employees, but also people from the surrounding areas. This Shot displays the facility of a quarantined facility in Chennai.

So, while we have gone through the first wave and the second wave, we are also ready for a third wave if it comes. So, while we are strengthening our Covid appropriate



behaviours across our plants, we will also ensure that the vaccination drive is done in an effective manner and as a support we have rolled out a Covid welfare policy which will provide comfort and strength to people who unfortunately get infected with Covid.

Our Corporate Social Responsibility extends to education, community, medical infra and health. So these are all some examples of our involvement and our people's involvement in delivering the CSR. So, while we have online classes for employees and their children, we also do community support by offering food and provisions and by supporting them with medicines and providing quarantined facilities wherever required.

2020 was a very long year, what started off as an unprecedented year where the world was masked and fighting an unseen enemy as shown ended up in half the world or more than half the world closing down for a few months. Then we had our own challenges in terms of the logistics and then later on the availability of the vaccine gave us some hope.

The pandemic also taught us that enough is enough, we have to take care of the world and then moving on from a fossil fuel led world to a green fuel and making the world more sustainable. This also forced many organizations to change directions to prevent. First and foremost is the safety and health of the workforce. This forced organizations to relook into what they were doing and ensuring the business continued. Many of us adapted to an online world and then to improving and increasingly developing new products.

This is how the numbers panned out for the year for sales after difficult first quarter, marginally increased by one and a half per cent to 2604 crores. The EBITDA was about 512 crores again a marginal improvement over the previous year. The Company remains a debt-free Company and has a double 'A' rating which indicates good financial standing.

The major segments of Abrasives, Minerals, Refractories and Ceramics all did well. While the added consolidated level Abrasives clocked Rs. 993 crores, Electrominerals did about Rs. 1000 crores while Ceramics and Refractories did about Rs. 627 crores. All the divisions showed significant improvement in their profits as well.

This is a trend of the sales turnover and the net profit margins of the Company over the last eight years. We would see that while the sales have shown a not very steep growth, the profitability has significantly improved through a combination of working on efficiencies, new product introductions and a product mix, which is more profitable.

This is what we see as a way forward in 2022 as we go forward this year.

The Company also had its share of awards and accolades in line with our focus, the SEEM or national energy management awards was won by the Electrominerals division. The environmental award by our Russian subsidiary Volzhsky Abrasive Works. The focus on people resulting in the HR CII National HR Excellence Award for significant achievement in HR excellence.

As an example of corporate governance this is the second time in a row we are getting a certificate of merit from SAFA for the Annual Report and the environmental health and safety award from the CII and the TPM Excellence Award from the JIPM Japan for operational excellence. These are some of the awards and accolades that the Company had received over the last year.

Now as we move into Q1 of FY 2021-22, the momentum that we had gained over the last three quarters sustained in the first month of this year. But then the second wave of Covid hit us and the teams while managing the Covid also managed to run the businesses successfully. So, after a difficult May, the team has pulled back strongly in June, resulting in a good Q1 performance.

This quarter also had its share of problems with supply disruptions impacting raw material availability, but the team continued to focus on building capabilities across business.

Consequently, the consolidated results in terms of sales was Rs. 706 crores 59% better than last year, while the PAT at Rs. 77 crores was 291% over the last year. All the three verticals are exceptionally well. These are the standalone reserves, where again, the sales of Rs. 465 crores, was almost 100% better than last year, PAT at 63cr was 500%. In line with the spirit of the Murugappa group, its values and beliefs of integrity, passion, quality, respect, and responsibility will propel CUMI going forward.

Thank you so much.

**CHAIRMAN:** - Thank you Ananth for this exhaustive presentation.

Ladies and gentlemen, I hope it gave you a perspective of the Company, its products, its services and how we are managing in uncertain times.

Ladies and gentlemen, coming back to the business of the meeting, the notice convening the meeting dated 24<sup>th</sup> June 2021, along with the copy of the Annual Report for the financial year ended 31<sup>st</sup> March 2021 has been circulated electronically and with your permission, I will take them as read.

The auditor's report on the financial statements does not have any qualifications or observations or comments on the financial transactions or matters as having any adverse effect on the functioning of the Company or no qualifications, observations, or comments in the secretarial auditor's report too. Accordingly, these reports are not required to be read out at the meeting.

The ordinary businesses set out in the AGM notice pertain to the adoption of standalone, adoption of consolidated financial statements, the declaration of the final dividend. It also relates to my reappointment as a director of the Company. The special businesses include the appointment of Mr. Sridharan Rangarajan, the approval of payment of commissions as required under the SEBI regulations and the ratification of payment to remuneration cost auditors for the financial year ended 31<sup>st</sup> March 2022. The resolutions and the explanatory statements in respect of these items have been provided in the notice.

Few shareholders have raised queries through KFin portal. Few of them have registered themselves as speakers and they can raise questions, queries and seek clarifications. I now request the moderator to facilitate the shareholders to speak and in the interest of time and the interest of giving every shareholder an adequate opportunity, May I once again request that all shareholders restrict themselves to the business, to the Company's operations, the statements of accounts and the annual report.

I greatly appreciate all shareholders who have registered to speak, it indicates your interest in the Company and we look forward to hear from you and also gaining from your insights as well.

So, Mr. Moderator, may I request you to activate the shareholders in their order of registration.

**Moderator:** - Thank you Chairman Sir. This is the moderator here.

I will bring the registered speakers one by one who are currently available now. The first speaker is Mr. Bharti Saraf, who is not available at this moment.

We will move to the second speaker, the representative of Mr. M. V. Murugappan HUF who is also not available at this moment.

The third speaker, Mr. Abhishek, I would request Mr. Abhishek to unmute his audio and switch on his camera and proceed with his query.

Since Mr. Abhishek is also logged out at this moment, we will move to the next available speaker, Mr. Sanjog Saraf. I would request Mr. Sanjog to unmute his audio and switch on his camera and proceed with his query. Mr. Sanjog Saraf from Calcutta, I would request you to unmute your audio and switch on your camera and proceed with query. Yes sir, you have unmuted, please proceed with your query. Sir again, you have muted. Sir I would request you to unmute and proceed. Yes, please proceed. Sir please proceed. You are unmuted please proceed with query.

**CHAIRMAN:** - Mr. Saraf, you have been unmuted. You may kindly speak now. *Aap abhi baat Kar Sakte hai. (The Chairman used Hindi language for the convenience of the Shareholder which reads that he could proceed to talk.)*

**Moderator:** - Sir since there is no response from this speaker as well, we will move to the other next available speaker, Mr. Rahul Kumar Paliwal from Pune. I would request Mr. Rahul Kumar to unmute your audio and switch on your camera and proceed with the query.

Thank you.

**Rahul Kumar Paliwal:** - Thanks.

**Moderator:** - Sir, you have unmuted, please proceed.

**Rahul Kumar Paliwal:** - Sure sir, sure. Thanks for the opportunity.

So, my question is regarding the opportunities which is arriving out of China plus policies. So what is our plans for tapping this opportunity in, you know, different material segments? How you are looking at growth in coming next three to five years like for our composite business, silica based business and other opportunity? How you are looking at growth in those sectors? So that's my questions sir.

**Moderator:** - Thank you, sir.

Other speakers who have registered Mr. P Jain Chand, Mr. Mani Sundaram A.V., Mr. Gopal, Ms. Vandana, Mr. Yusuf Yunus Rangwala, and Ms. P. Shyamsundari. All these speakers are not available at this moment and with this, we have completed the Q&A session with the registered speakers who are available online and I'm handing over the stage back to you sir.

Thank you.

**CHAIRMAN:** - Thank you, moderator sir. Thank you, Mr. Rahul Kumar Paliwal for your question. It really indicates a very deep insight into overall matters commercial and geopolitical matters that you have insights on.

Let me give you a brief perspective. Yes, I mean, the world has changed considerably and clearly, China has been a dominant factor in the world, it has been a factory to the world literally making a variety of products. Quite naturally, we have also been impacted, I would say positively so and in certain areas, there are one or two concerns. China has been a world force across many of our product lines, particularly in the Electrominerals product line, where they are a source of bauxite, there are a source of fused minerals, they are a source of silicon carbide etc. and given the current world order, we have also benefited in the sense that many customers worldwide who were taking products from China and also buying small quantities from us, they have reached out to us and have asked us to provide them larger quantities and this is a good indicator, this is across the electro mineral spectrum, particularly silicon carbide and white aluminum oxide.

This augers very well for the Russian operations and also the Indian operations in silicon carbide and white aluminum oxide. So accordingly, plants are running to full capacity to

fulfil the needs of our customers and we have made plans to expand capacities as well and while expanding capacities, we are also expanding capabilities because we just do not want to be an alternative supplier, but we want to be an alternative supplier partner where we can work with customers even for their future needs. So, I think this is a positive development from the Electromineral side.

Similarly, on the Abrasives side, because we provide surface engineering solutions of precision nature to customers in a variety of industries, particularly automotive, engineering, etc., they are also looking for alternatives to China and we can see some trends of improvement.

Thirdly, if I look at it the other way, we were also importing some raw materials from China and these imports have been reduced, largely because of some of the trends in China it and this has caused us to re-engineer some of our processes and products in order to make the products ourselves over here. So overall, I can say that this policy has worked well in certain areas. It has the indications of opportunity in certain areas and as we go forward, time will tell. I'm sure there are many other competitors worldwide who are looking at this also as an opportunity as we are. But nevertheless, to summarise, we are looking at this just not as a substitution opportunity, but also substitution and enhancement of our product portfolio.

Mr. Moderator sir, are there any other questions?

**Moderator:** - No sir, nothing sir.

**CHAIRMAN:** - Well, thank you very much, Mr. Paliwal.

Ladies and gentlemen,

This concludes the business part of the meeting.

The Instapoll facility will be activated now so as to enable members who have not cast their votes earlier through the remote e-voting facility. This facility is available on the left-hand corner of the video conferencing screen and you will see a sign or an icon in the form of a 'thumb'. Members can click on the same and this will take them to the Instapoll page and then you may vote.

Mr. Sridharan, our scrutiniser will submit a report to the Company after consolidating the remote e-voting and voting at the AGM.

As there is no business to be transacted and before I declare the meeting closed, I wish to thank all the shareholders for connecting with us today and also, moderator sir, and to the KFin team, thank you very much for facilitating this video conference so that we could connect with our shareholders across the country and across the world. There are other service providers who are here today. We thank you all for ensuring the conduct of this meeting and to my colleagues from the secretarial team and the IT team here in Chennai at their house. Thank you all very much for your support and for running this meeting very smoothly and for the preparations that you have made to our Board and colleagues across the Company.

We look forward to a continued progress across all our businesses, despite difficulties.

We thank you all for your support once again. Thank you ladies and gentlemen.

The meeting is now closed.

