

**Transcript of the 32nd Annual General Meeting of the Company held on August 9, 2024
through video conference at 4.30 p.m.**

Pursuant to the provisions of Article 103 of the Articles of Association of the Company, Dr. Raveendra Chittoor, Chairman of the Board, occupied the chair and presided over the 32nd Annual General Meeting held on August 9, 2024 through video conference.

Good Evening, my dear fellow shareholders.

I welcome you all to the 32nd Annual General Meeting of your Company which is being held through Video Conference pursuant to the applicable MCA and SEBI circulars. It is a privilege for me to address this august gathering of the shareholders as the Chairman of this meeting. I trust all of you are keeping safe and healthy.

As the requisite quorum is present for the Annual General Meeting, I, as the Chairman, call the meeting to order.

I now request all the Directors attending this AGM to introduce themselves.

Mr. Akshay Raheja : Namaste, Hi this is Akshay Raheja. It's nice to be here.

Ms. Ravina Rajpal : Hello everybody, it's Advocate Ravina Rajpal. Thank you to be here.

Mr. Conrad D'Souza : Good Afternoon, this is Conrad D'Souza, Independent Director.

Mr. Vijay Aggarwal: Good evening, Namaskar, Thank you.

Mr. Vivek Agnihotri: Good Evening, Good Evening.

Mr. Sarat Chandak: Hello, Good Evening, Namaskar

Mr. Anil Kulkarni: Good Evening, Namaskar.

Thank you all. Mr. Rajan Raheja has not been able to attend the meeting due to prior commitments.

Besides, we also have Mr. Arun Kumar Agarwal, Chief Financial Officer, and Mr. Shailesh Dholakia, Company Secretary along with other executives of the Company attending this meeting through video conference.

Representatives of Statutory Auditors and Secretarial Auditor are also attending this meeting through video conference.

As per the provisions of the Companies Act, 2013 and SEBI LODR, your Company had provided the facility of remote e-voting to the shareholders to enable them to cast their vote electronically. The remote e-voting commenced on Tuesday, 6th August, 2024 at 9:00 a.m. and concluded on Thursday, 8th August, 2024 at 5:00 p.m. The remote e-voting had already been concluded as per the timelines mentioned in the Notice of the AGM.

The e-voting platform is open for voting during the meeting and will close 15 minutes after all businesses are transacted post which the meeting will stand closed. Those shareholders who are not already cast their votes by remote e-voting can cast their votes now electronically by clicking on the voting button visible on their screen. In all, there are 4 Ordinary resolutions and 1 Special resolution placed before the shareholders for their consideration and approval, details of which are given in the Notice of the AGM. Kindly note that those of you who have already cast their votes on the remote e-voting platform shall not be permitted to cast votes again.

Ms. Savita Jyoti of M/s. Savita Jyoti Associates, Practicing Companies Secretary, Hyderabad, has been appointed as the scrutiniser to scrutinise the entire e-voting process in a fair and transparent manner. The consolidated results of the e-voting along with the consolidated Scrutiniser's report will be displayed on the website of the Company, KFin Technologies Limited and the Stock Exchanges and also will be available at the registered office and corporate office of the Company.

The Company has taken requisite steps to ensure that the AGM through video conference is seamless experience for all shareholders and all efforts feasible under the circumstances have indeed been made by the Company to enable members to participate and vote on each item of business.

We will now proceed with the meeting.

Pursuant to the MCA circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. The register of Authorised Representatives with representations aggregating 30,86,30,246 in other words Thirty Crore Eighty-Six Lakh Thirty Thousand and Two Hundred Forty Six equity shares representing 61.31% of the paid up equity capital are available for inspection through the VC facility of KFin.

The Register of Directors and Key Managerial Personnel and their Shareholding as well as other statutory registers, Auditor's Report and the relevant documents referred to in the notice and explanatory statement are available for inspection electronically during the AGM.

The Notice of the 32nd Annual General Meeting and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the SEBI LODR along with the Audited Financial Statements for the year ended 31st March, 2024 together with the Director's and Auditor's Reports had been sent by e-mail to all those shareholders who have registered their e-mail address with the respective Depository Participants or the Registrar & Transfer Agent of the Company. The said documents are also uploaded on the websites of the Company, KFin Technologies Limited, BSE and NSE for your ready reference.

With the permission of all members, I shall now take the Notice of the 32nd Annual General Meeting as read.

As the Auditor's Reports on the Standalone and consolidated financial statements of the Company for the Financial Year ended 31st March, 2024 does not contain any qualifications, observations or comments on financial transactions or matters which have adverse effect on the functioning of the Company, accordingly these reports are not required to be read out, as provided in the Companies Act, 2013.

As the Secretarial Auditor's Report for the financial year ended 31st March, 2024 does not contain any qualification, observation or comments, accordingly, the same is not required to be read out, as provided in the Companies Act, 2013.

I now request Mr. Vijay Aggarwal, Managing Director of the Company, to appraise you of the operational performance, key focus areas and business outlook of the Company.

Mr. Vijay Aggarwal:

Thank you, Chairman Sir. Good evening, dear Shareholders. On behalf of the Board of Directors, I extend a very warm welcome to all of you at the 32nd Annual General Meeting of your Company. I am honored and grateful for the privilege of addressing all of you and thank for your presence. Your unwavering support and trust has been the driving force behind the Company's remarkable journey.

It give me immense pleasure to share that the Company has retained its position as one of the top three players in the ready mixed concrete and tile sectors across India as a whole. Your Company has also been a permanent cement player in the Satna Cluster in Central India. The Company's focus on operational excellence, innovation, sustainability aligns perfectly with our country's growth trajectory, ensuring that the Company continues to thrive and create value for all the stakeholders, including the shareholders.

During the last financial year, your Company's consolidated revenue grew by 3.1% to ₹ 7,588 Crores, marked especially by the robust performance by the Cement division and RMC division. Consolidated EBITDA margin overall expanded by 154 basis points to 6.4%, primarily due to a 17.5% growth in the Cement Division's EBITDA per ton and in case of RMC, the margin expanded by 230 basis points to reach 2.7% during last year. The consolidated EBIDTA grew overall by 35.5% to ₹ 489 Crores, while the net profit after tax and non-controlling interest stood at ₹ 181 Crores.

During 2023-24, your Company generated free cash flows, before investment and capex, of ₹ 299 Crores. The Net Debt to EBITDA improved significantly from 3.2 to 1.7. As a result, your Company's Credit Rating, which is at A+ for long term and A1+ for short term, the credit rating agencies also assigned a positive outlook from the earlier stable outlook towards rating of the Company. Additionally, the Return on Capital Employed (ROCE) improved from 0.6% in previous year to 5.3% in this year.

I will now take you through each division one by one.

Cement Division :

The Cement Division, as you are aware, operates two units at Satna, Madhya Pradesh with a capacity of 5.6 million tons per annum.

- The revenues during the year grew by 9.5% to ₹ 3,318 Crores, partly led by the growth in cement and clinker volume by 11.1%.
- EBITDA per ton increased from ₹ 445 to ₹ 523, primarily due to lower power & fuel cost per ton, which in the previous year had shot up.
- Premium products have been growing year after year and now they comprised 34% of the total cement sales volume.
- Your Company also announced a plan to set up a captive wind power project aggregating to 24 MW for the cement plant this is expected to be commissioned towards end of the current financial year and your Company already has 22 MV solar power. Additional 8 MW is now ready to be installed, we are just awaiting some regulatory approvals which should come in next two weeks time. This will help the Company to reduce overall power cost and also increase the share of green power.

H & R Johnson (India) Division (HRJ) :

Coming to the H&R Johnson Division (HRJ Division). This division has a rich legacy of over 65 years of experience in India and is the pioneer of ceramic tile manufacturing in India. Your division has a diverse product portfolio comprising ceramic as well as vitrified tiles, sanitary wares and bath fittings. In addition, there is also engineered marble and quartz. The Company along with joint ventures, holds one of the largest manufacturing capacities in the domestic ceramic industry, with overall capacity of 67 mn m² per annum across 11 manufacturing plants overall. Also, your Company operates two plants of manufacturing CP fittings with a capacity of 3.6 million pieces per annum.

The key highlights of last year are as follows.

- The overall revenues during the year declined by 0.5% to ₹ 2,386 Crores, EBITDA margin declined by 160 basis points to 5.7% and the EBITDA for the year was ₹ 137 Crores.
- Total tiles sales volumes grew by 3.2% to 57.6 mn m², out of that the domestic tiles sales volume grew by 3.4%.
- I am also pleased to share that during this year, your Company commenced commercial production at Panagarh unit which is located in West Bengal. This is the first tile unit in eastern India and your Company has pioneered. This unit has a capacity of 6.3 mn m².

RMC Readymix (India) Division (Prism RMC) :

Coming to RMC Division. Prism RMC is one of the largest RMC manufacturers in India, with a pan-India presence. As of the 31st March, your Company had 102 RMC plants in 47 cities across the country.

- Last year RMC Division revenue grew by 5% to ₹ 1,471 Crores, mainly driven by 7.4% growth in the volumes. Also the Division reported an EBITDA of ₹ 39 Crores during last year.
- The key focus area for this Division are to increase plant utilisation levels to enhance profitability by optimising fleet and pump efficiency and also to increase the share of environment-friendly & value-added products.

Raheja QBE General Insurance Company Limited (RQBE):

All of you are aware that the Company has an investment in a general insurance company called Raheja QBE General Insurance, where your Company holds 51% shareholding. The Gross written premium for this company during the year declined by 20% to ₹ 316 Crores, as the Company changes business strategy towards more niche and liability products and not so much on retail business. As a result, the Net Loss after Tax during the year improved to ₹ 41 Crores from previous year. This Company remains well-capitalised with the solvency ratio of 2.01 as against the regulatory requirement of minimum 1.5. Assets Under Management stood at ₹ 884 crores at the end of the year.

Key ESG Initiatives :

Now I will talk about key ESG initiatives. Being a building materials company and very socially responsible company, your Company recognises our responsibility towards the environment and the communities where we operates. Your Company's Vision is to drive sustainable growth while catering to the evolving needs of the customers through innovative products and services.

Our sustainability strategy is built around four pillars: Creating Stakeholders Value, Safeguarding Environment, Employee Well-being and Growth, and Supporting Local Communities.

Your Company continues to remain committed to promote inclusive growth and this year the Company contributed ₹ 1.89 Crores as CSR to various initiatives in areas surrounding the plants.

Q1 FY25 update:

Today, your Company also had the board meeting for the results of the first quarter. I would also like to give you a very brief update on the first quarter results.

- So, the revenue overall, excluding the insurance business, on a consolidated business declined by 8.7% compared to previous year due to lower revenue across all segments particularly during April month, the business for construction industry as a whole was down due to excessive heat. Also, the disruptions caused locally due to elections and the associated effects.
- Cement division revenue declined by 15%, tile division revenue declined by 1.7% and RMC division revenue declined by 3.5% compared to previous year in the same quarter. However, in terms of EBITDA as a whole, it improved by 5.3% year on year from ₹ 147 crore to ₹ 155 crore despite a lower revenue due to the efforts taken by your company towards cost reduction and better mix of the products.

- In cement, EBITDA per ton declined from 673 to 654 primarily due to lower realizations and a big pressure on the selling prices, but it was mitigated due to saving in cost, especially fuel and little bit of power as well.
- In case of HRJ, EBITDA declined by 34% to about ₹ 18 crores.
- RMC division did well in this quarter despite little decrease in volume and the EBITDA grew from 2 crores to ₹ 28 crores and the margin in RMC division expanded by 130 basis points to 9.3%.
- The net debt to equity at the end of the quarter stood at 0.5 which is same as the 31 March and remains healthy.
- Annualized ROCE declined by 30 basis points compared to last year same quarter from 11.0% to 10.7%. Also, the capital employed overall decreased by 12.5% from last year to ₹ 2,206 crores during this year which has helped to keep the debt under a healthy level.

Conclusion :

In the end, on behalf of the Board, I extend our heartfelt gratitude to all of you for your unwavering support and commitment, trust and dedication. Your steadfast confidence inspires us to take new challenges, seize new opportunities and propel your Company towards greater heights. We are committed delivering value for all our shareholders and we eagerly anticipate a future of shared success in the near future. I also take this opportunity to express our sincere appreciation for the contribution and dedicated work of all the employees of your Company.

I would now request the Chairman to continue with proceedings of the meeting. Thank you.

Dr. Raveendra Chittoor:

Thank you Mr. Aggarwal. I have received the names of shareholders who have registered themselves as speakers. The names will be called by the moderator one after the other and after the shareholders have completed making their observations and suggestions, Mr. Aggarwal will respond to the same. Thank you.

Mr. Srikanth Jhavar, Mr. Praful Chavda, Mr. Manoj Kumar Gupta, Mr. Ramesh Shanker Golla, Mr. Suresh Chand Jain, Mr. Redappa Gundluru, Mr. Abhishek Jain, Mr. AV Mani Sundaram and Mr. Afzal Urrahmansufi Mohd spoke at the meeting. They expressed their views and sought clarification relating to the accounts, future outlook, alternate fuel resource, captive wind power project, commencement of the Panagarh plant situated in West Bengal, capex plans, demerger or merger and acquisition plans, infrastructure tie up plans, Rights Issue, Cement and Tiles Division Roadmap, Digital marketing, employees count with respect to men and women, dispute with various authorities, order book position, plant visit and generally complemented the management for the robust performance under adverse conditions.

Mr. Aggarwal thanked the Members for their keen interest in the Company and responded suitably to all the questions raised by Members.

Dr. Raveendra Chittoor :

Thank you Mr. Aggarwal for giving all the questions such great consideration and answering them in such great detail.

On behalf of the Board of Directors, I would like to express our sincere appreciation for the continued and consistent support received from all the shareholders of the Company and also from all the regulators, banks and other business constituents. I would also like to thank my colleagues on the Board for their continued guidance, support and contribution made to the Company. On behalf of the Board, I also wish to acknowledge the committed services of the employees of the Company at all levels during the year. I also thank all the shareholders who are attending this meeting.

As there is no further business to be transacted, this brings us to the end of the meeting. The shareholders will be given final 15 minutes for voting, after which the 32nd annual general meeting will stand closed

Thank you.