

*Transcript of*  
*50<sup>th</sup> Annual General Meeting of*  
*HEG Limited held on*  
*Thursday, 1<sup>st</sup> September, 2022*

**Company Secretary:** Vivek Chaudhary

**Vivek Chaudhary:** Good Morning Dear shareholders. I, Vivek Chaudhary, Company Secretary of HEG Limited, participating from Noida, welcome you all to the 50<sup>th</sup> Annual General Meeting (“AGM”) of the Company.

As as you are aware that in view of the COVID-19 pandemic in the last couple of years and still continuing and pursuant to MCA & SEBI circulars, the AGM is being held through VC/OAVM facility provided by NSDL without the physical presence of the members at the venue. The venue of the AGM shall be deemed to be the Registered Office of the Company at Mandideep (Near Bhopal) District Raisen- 462 046, Madhya Pradesh.

Now I request all the Directors, Group CFO, CFO, Statutory Auditor & Secretarial Auditor to say their name & place from where they are participating. Over to our Chairman Shri Ravi Jhunjhunwala Ji.

**Ravi Jhunjhunwala:** I am Ravi Jhunjhunwala, Chairman, Managing Director and CEO, Member of Stakeholder Relationship Committee and also the Chairman of CSR Committee of the Company. I am participating from my office in Noida. Thank you.

Riju ji has not joined us now. Next move to Dr. Kamal Gupta ji. He's mute. Gupta ji you are on mute.

**Dr. Kamal Gupta:** I am Dr. Kamal Gupta, Independent Director of the Company. I am also the Chairman of the Nomination and Remuneration Committee, Member of Audit Committee and Stakeholders Relationship Committee. I am participating in this Annual General Meeting from my residence in Noida.

**Vivek Chaudhary:** Thank you. Over to S.C Mehta ji.

**Satish Chand Mehta:** I am Satish Chand Mehta, Independent Director of the Company, Chairman of Audit committee and Member of CSR Committee of the Company. I am participating form my residence in Jaipur. Thank you.

**Vivek Chaudhary:** Thank you, Sir. Over to a Shekhar ji.

**Ravi Jhunjhunwala:** Shekhar is traveling.

**Vivek Chaudhary:** Then we move to Mr. Davinder Kumar Chugh ji.

**Davinder Kumar Chugh:** Good morning. This is Davinder Kumar Chugh, Independent Director of the Company and Member of Audit Committee, Nominations and Remuneration Committee and Stakeholders Relationship Committee. I'm participating from Dubai. Thank You.

**Vivek Chaudhary:** I think Shekhar ji have joined. Shekhar ji please say your name.

**Shekhar Agarwal:** Good morning. My name is Shekhar Agarwal, Director and Member of the Audit Committee and I am participating in this meeting from my textile plant near Indore. Thank You.

**Vivek Chaudhary:** I think Riju ji also has been joined.

**Riju Jhunjhunwala:** I am Riju Jhunjhunwala, Vice Chairman of the Company and Chairman of Stakeholders Relationship Committee. I am joining this meeting from my home at Friends Colony, New Delhi. Thank you.

**Vivek Chaudhary:** Over to Jayant Davar ji.

**Jayant Davar:** Good Morning this is Jayant Davar, Independent Director and I am participating from Gurugram. Thank you.

**Vivek Chaudhary:** Over to Vinita ji.

**Vinita Singhania:** Good Morning this is Vinita Singhania, Director and Member of CSR Committee participating from Delhi. Thank you.

**Vivek Chaudhary:** Over to Ramni Nirula ji.

**Ramni Nirula:** Is that OK now? Can you hear me?

Ramni Narula joining this meeting from my residence in New Delhi. I am an Independent Director on the Board of HEG Limited and a Member of the NRC Committee. Thank you.

**Manish Gulati:** Good morning everyone. I am Manish Gulati, Executive Director of the Company and I am participating from Company's plant in Mandideep, near Bhopal. Thank you.

**Vivek Chaudhary:** Over to Ajmera ji.

**O.P Ajmera:** Good morning. I am O.P Ajmera, Group CFO, participating from Noida office. Thank you.

**Vivek Chaudhary:** Over to Gulshan.

**Gulshan Kumar Sakhuja:** Good Morning Everyone. I Gulshan Kumar Sakhuja, CFO participating from Noida office. Thank you.

**Vivek Chaudhary:** Over to Sanjiv Mohan ji.

**Sanjiv Mohan:** Good morning. I am Sanjiv Mohan representing SCV & Co. LLP, Statutory Auditor of the Company and I am participating in this meeting from Ludhiana. Thank you.

**Vivek Chaudhary:** Over to Saket ji.

**Saket Sharma:** Good morning. I Saket Sharma, partner of GSK & Associates representing Secretarial Auditor of the Company as well as Scrutinizer appointed to scrutinize the remote e-voting process and voting at Annual General Meeting in a fair and transparent manner and participating from Kanpur.

**Vivek Chaudhary:** Thank you, Sir. Thank you all the Directors and Panelist. In compliance of the provision of the Companies Act, 2013, Secretarial Standard- 2 and SEBI (LODR) Regulations, 2015, the remote e-voting was provided by the Company starting from Sunday, 28<sup>th</sup> August, 2022 at 9:00 AM (IST) and ended on Wednesday, 31<sup>st</sup> August, 2022 at 5:00 PM (IST). The Company is also providing e-voting facility during the proceeding of the AGM to enable the members to cast their vote who have not done through remote e-voting.

Member may note that all the documents referred to in the accompanying notice and explanatory statements is available for inspection during the annual general meeting.

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of the Contract or Arrangement in which Directors are interested under Section 189 of the Companies Act, 2013, is available for inspection during the AGM. Members may note that pursuant to provisions of Article of Association of the Company, our Chairman Shri Ravi Jhunjunwala, Chairperson of the Board, shall preside as Chairperson at every general meeting of the Company.

Now, I request our Chairman to kindly Chair the meeting and start the formal proceeding of the meeting. Thank you. Over to Shri Ravi Jhunjunwala Ji.

**Ravi Jhunjunwala, Chairman**

Thank you, Vivek, and good morning, ladies and gentlemen. A very warm welcome to everyone present today at the 50<sup>th</sup> annual general meeting of your Company. I hope you and your loved ones are all well and safe.

Since the requisite quorum is present, I declare the meeting as open.

It is a pleasure to share my thoughts through this narrative as India has set a firm footing on the path of progressive development.

***FY22 in retrospect***

A rapid increase in industrial activity across the globe contributed to higher-than-expected demand for steel and steel products all over the world. Let me throw in some numbers to put the trend in proper perspective.

In calendar year 2021, excluding China, the top 10 steel producing countries increased their steel production by about 13% over 2020. Large steel producing countries like the US, Japan, Germany increased their steel production by 18.3%, 15.7% and 12.3% respectively. We have not seen double-digit increases of this kind for quite some time now.

This jump in steel production was primarily due to China's unwavering focus on reducing carbon emissions. In keeping with this resolve, the world's largest steel producer has shut down its

highly polluting Blast Furnace capacities to the tune of 125-150 Mn mt between 2015 and 2017. As a result, steel exports from China plummeted from about 115 Mn mt in 2016 to about 55 Mn mt in 2020. Subdued steel exports continued through 2021 and in the first 4 months of 2022. The resultant vacuum allowed other steel producers across the world to produce more steel. Interestingly, world over about 45-47% of steel is produced through the Electric Arc Furnace route which uses our products.

As a logical fallout, demand for our products increased. We achieved highest ever production and sales. Our topline grew by 75% over the previous year. The EBITDA jumped from Rs. 54 crore in FY21 to Rs. 607 crore in FY22 and we registered a turnaround at the bottomline – from a net loss of Rs. 25 crore in FY21 we earned a net profit of Rs. 391 crore in FY22.

Our stellar performance happened to coincide with the 50th year of our illustrious business journey. I'm very proud of our entire team at HEG, past and present, who left no stone unturned to bringing HEG to where it is currently standing.

### ***FY23 and beyond***

After a momentous FY22, we have stepped into an exciting phase in our business journey. I am optimistic of our future owing to what I am able to visualise.

Globally, the decarbonisation trend is expected to pan out steadily and gain momentum over the next few decades – as developed economies have pledged to transition to the Net Zero (carbon emission) zone by 2050.

Since steel making through the blast-furnace route is considered high polluting, there will be a replacement of these assets with greener technologies. Currently, the EAF technology appears to be the preferred route. This structural change is already transpiring in some advanced economies.

In recent times, there have been a flurry of announcements that large global steel companies, especially in US & Europe plan to establish new EAF capacities cumulating to about 25-30 million mt which should be commissioned in the next few years.

I also expect more EAF capacities to be announced in future.

In India too, the continued thrust on infrastructure creation and rapid industrialisation through large budgetary allocations and investment-friendly policies indicates the sustained focus of the Government in positioning India as a manufacturing hub for the world. It suggests that steel demand in India too would move northward.

All this points to one reality. Demand for graphite electrodes is expected to rise at a healthy uptick over the medium-term. While the demand scenario appears to be interesting, the supply-side ecosystem could be constrained as no western player has announced plans to increase their graphite electrode manufacturing capacity in the near future. Except one. HEG.

We had announced our 20,000 TPA capacity augmentation program in 2019. Currently, our new capacity is at an advanced stage of completion and should commence operations in early 2023. We are in the right place, at the right time to ride the opportunity wave – additional volumes

coupled with healthy realisation. Moreover, if others global graphite electrode manufacturers also follow suit, it would take them about 3-4 years to commission their new capacity. It appears that we have a long runway.

I must appreciate the untiring efforts of the entire team, especially during the last two COVID years to make sure that we attain our targeted commissioning of the expanded capacity, more or less within the time period that we originally announced.

We have spent Rs. 800 crore up to March 31, 2022. We will invest the balance Rs. 400 crore in the current year. This is all being funded through internal accruals.

With our five-decade experience in electrode manufacturing, our well established quality, and local representation, we expect to emerge as a supplier of choice to all our global and Indian customers.

In closing, I thank my colleagues on the Board for their continued guidance in charting the Company's blueprint. I thank our business partners, financial institutions, government agencies all other stakeholders who have journeyed with us this far. We value your association and solicit your co-operation going forward. I also place on record my sincere appreciation to all our shareholders for their continued confidence and support.

Stay safe. Thank you.

**Ravi Jhunjunwala, Chairman:** Notice of AGM dated 12<sup>th</sup> July, 2022, Report of Board of Directors and the Financial Statements for the financial year 2021-22 are taken as read as the same had already been sent to all the Members. There were no qualifications in the Auditor's Report and the Report of Secretarial Auditor of the Company and accordingly they were not required to be read.

The Company has received requests from few members to register them as speakers at the meeting. Accordingly, the floor is open for these Members to ask questions or express their views.

Speaker Shareholders are requested to kindly limit their speech to maximum of 3 minutes. Members can also post their views or questions through the chat box facility. If any member faces any technical issue, kindly contact the helpline numbers of NSDL as provided in the Notice of AGM.

Members are also requested to keep their questions brief and specific. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

I would like to highlight to the speakers that when I take your name, your mic will be open by the moderator of this meeting. You will have to also unmute mic from your end and express your views or ask questions.

Firstly, I invite Ms. Celestine Elizabeth Mascarenhas who was registered herself as a speaker to express her views and ask a question. We'll wait for one minute and then we'll move forward to the next speaker. Thank you.

**Celestine Elizabeth Mascarenhas:** Hello, am I audible?

**Ravi Jhunjhunwala, Chairman:** Yeah, you are. You are very much audible.

**Celestine Elizabeth Mascarenhas:** Thank you. Respected Chairman, MD & CEO, Ravi Jhunjhunwala; Vice Chairman, Riju Jhunjhunwala and other Board Members, my fellow shareholders who are attending this meeting through Video Conferencing.

I am Ms. C E Mascarenhas. I am attending this meeting from Mumbai.

First of all, I thank the Company Secretary, Mr. Vivek Chaudhary and his team for sending me an annual report and also registering me as a speaker and giving me this platform to speak. I am really impressed by the backdrop which is there behind Vivek Chaudhary, proud to be Indian, privileged to be global. So this is 50 years completed. So I am really proud of this Company and I know we are at the right place and at the right time.

Now I go to the annual report, this time annual report is very good. It has run through from the beginning or pictures given. It is really appreciable. I thank the team for doing such a big job and at the time same and adhering to all the norms of Corporate Governance.

Our revenues are up, PBT, PAT is up. Last year it was loss. Now this year EPS has also gone up. This time it is 101.20 as against loss last year. Dividend is 40 rupees is definitely very good but since it is 50 years I would have felt little better if it is ₹50 i.e 50 years, ₹50. Anyway, that's left to the Board to decide, but here I would make one suggestion Sir, as this is 50 years. What about splitting the shares and making it affordable and liquid to more shareholders and it will amount for those who are holding already, it commands to mini bonus also, I just make my suggestion.

I appreciate the CSR work done and also ESG initiatives taken. Here I would like to ask you, have you gone for the rating of the ESG? and if done, then what is our ratings for and who is a rating agency? The carbon have be reduced and by how much this year footprints. Carbon footprints. And when our company has plans to make it zero carbon prints?

Now my questions/queries, what is the market share in electrodes sector? How much margins we are getting? We have 2 thermal power plants and one hydroelectric power facility. Any replacement of thermal or hydro with other sorts of fuel, solar, wind or future green energy, next one our plans expansion is going on full stream. And the expansion will be completed by December 22. What is the capital utilization now at present? Then next one is where the demand in steel is? Where is more steel sector or EAF steel sector? Just now, Chairman said the Tata Steel is expanding, so can we think of getting some orders from Tata Steel? Next is how much or what effect is of geopolitical issue on our margin like supply chain, logistics bottlenecks, rising oil prices, also rising interest due to inflation, etc. How do we de-risk and working to handle these issues.

Now as 50 years are over. Which was not digital. Now we are more in the digital era. Next 50 years will be more and more going for digital. So what is our road map keeping this in mind for the next 5 years regarding Capex as it is this expansion of the plan from internal accrual, so I just ask you what will be with the Capex for organic, organic somewhat we have done still further we may think of expanding or inorganic growth by acquisition.

Lastly, I support all the resolutions. I wish my company all the best and moreover, I wish you and all very good health, as I can understand that health is wealth. You know, COVID has taught us many things, so COVID and I really like the slogan. Which is given in our annual report in the right place at the right time.

So we are at the right right place and we are at the right time with this Thank you so much. May our Company grow in strength to strength. Thank you and wish all the best. Namaskar.

**Ravi Jhunjhunwala:** Thank you Ms. Celestine.

I mean, you have asked at least 15 to 20 questions, so I'll pick up the 3-4 of the main ones.

You spoke about thermal and hydro. We have closed down our own thermal operations because of carbon footprints and all that. We are still running our own hydro plant which is 100% green and we are fully depending on the Madhya Pradesh Electricity board. So whatever is there mix of green or non green power, we are dependent on that.

We have been maintaining a very steady ratio between 30 to 40% in terms of payout ratio. We have not deviated from that except for couple of years when we could not be declared any dividend. So we are still maintaining that ratio of about 40% last year.

Our expansion is going on as per the schedule as I said, we are very proud of my team that despite very difficult circumstances that we have all gone through because of covid, we seem to be more or less on time. While announcing expansion, we had said that it will be ready by end of this year and some of the processes have already started as of now as we speak and by January- February of next year, we are pretty confident as of now that all the processes will be completed and our expansion would have been completed by then.

As I already explained in my speech, we've spent about 800 crores till now, will spend another 400 crores. Our initial budget also was 1200 crores, so they are within the budget that we announced.

As I said earlier, electric arc furnace is the preferred route. It is a route for the future. The carbon footprint of electric arc furnace steel versus blast furnaces. This is just about 25 to 30%.

And all over the world, as this at this realization is turning the world over, people are now going more and more into electrical arc furnaces.

And as I said that for the time being except our expansion, nobody has announced anymore expansion in the capacity.

So that is what I want and what we meant when it will be carried, that slogan at the right place at the right time.

Tata Steel, you said, of course, I mean they, they're, our major customers in India and abroad.

See the geopolitical situation. I'm sure some of our other Members will talk about it.

We've started seeing the pinch, a lot of industry started seeing with this about 6-8 months, 10 months ago, but steel and aluminium, all the metal has already started seeing that pinch. And we are obviously part of this cycle.

And so but we are pretty sure that it's a very short term thing and more than more electric arc furnaces are coming up and we we should be able to sell all our production as soon as we start producing next year.

So I think more or less I have covered everything that you wanted you to answer.

So with that, I will now invite Shri Krishanlal Chadha or Chetan Chadha who was also registered himself as a speaker to express his views. Mr. Chadha.

So let's go to the next one will come back to Mr. Chadha. If he joined us later, the next speaker is Shripal Singh Mohnot.

**Krishan Lal Chadha:** Hello, hello? Ha ji Krishnalal here. Can you hear me?

Thank you, Sir. Thank you, Sir. Aapke panelist mode se normal mode me aane 15 second lag gaya. Thank you, Sir. No problem, Sir, can you hear?

**Ravi Jhunjhunwala:** Yeah, we can here you.

**Krishan Lal Chadha:** Thank you sir for giving me the opportunity to join with you. Sir this is our Golden Jubilee year. 50<sup>th</sup> year की हम इस साल एजीएम मना रहे हैं और इसके लिए मैं सभी बोर्ड मेंबर्स का और अपने सभी शेयर होल्डर्स जो भी इस वीसी के माध्यम पे जुड़े हुए हैं, उन सबका स्वागत करता हूँ और एनटाइर सेक्रेटरी टीम का धन्यवाद करता हूँ जिन्होंने मुझे आपके साथ जोड़ने का इस साल भी मौका दिया और अपने व्यूस आपके साथ रखने का मौका दिया।

फर्स्ट ऑफ ऑल सबसे पहले तो सर हम 1,00,000 मिलियन मीट्रिक टन की तरफ जाने की तैयारी में है। इसके लिए भी मैं बोर्ड को काफी धन्यवाद करता हूँ और इस बात की उम्मीद करता हूँ कि जीस तरीके से लास्ट इअर की लॉस से हम उबर के इस साल ₹391,00,00,000 के प्रॉफिट पर आकर खड़े हुए हैं। ये एक काफी बहुत बड़ा अचीवमेंट करके दिखाया है हम लोगो ने।

और किस तरीके से आने वाले दो सालों में हमारा रोडमैप प्लैन जो है उसके बारे में थोड़ा सा आप बताये। वैसे तो मैडम ने भी पूछा है कि नेक्स्ट फाइव ईयर का प्लैन बट सर फाइव इयर्स शायद से लॉन्ग टर्म प्लान हो जाता है क्योंकि इसमें गवर्नमेंट बदल जाती है, गवर्नमेंट की नई पॉलिसी आ जाती है। टैक्सबिलिटी के अंदर कई चेंजेज आ जाती है, लेकिन आई थिंक की अभी एक से 2 साल का जो रोडमैप प्लैन है, वो उससे मैं क्राइटिरिया पे ही चलने वाला है।

तो उसके अंदर अभी हम क्या अपने आप को किस तरीके से प्रॉफिटेबिलिटी में बनाए रखने के लिए और क्या क्या अपने बारे में सोच रहे हैं, इस बारे में थोड़ा सा बताए। जहाँ तक ये saal है, 75 इयर्स के ऊपर आजादी का उत्सव मना रहे हैं। इसमें हमारी कंपनी भी किस तरीके से योगदान करके अपने शेयर होल्डर्स को क्या रिवॉर्ड कर सकती है? क्योंकि इस साल की हमारी जो ईपीएस है वो आई थिंक ₹101 है। लेकिन जहाँ तक हम dividend देखते हैं वो बहुत ही कम दिया है। मैनेजमेंट ने तो ये दिल मांगे मोर हैं सर। तो कम से कम बोर्ड को एक स्पेशल डिविडेंड के तौर पे जहाँ से की हम गोल्डन इर अपनी जुबली बना रहे हैं तो कम से कम ₹50 का एक स्पेशल डिविडेंड जो होना चाहिए वह एक देना चाहिए और मेरा Board से ये भी रिक्वेस्ट है की जैसे आरबीआई में हम कोई अपनी कंपनी के रिगार्डिंग एक रिक्वेस्ट डाल के 75 करके जैसे हमारे मना रहे हैं तो आर बी आई के थ्रू एक कोई coin इश्यू करा सकते हैं जिसमें 75 ईयर हो, हमारे



देश का अमृत महोत्सव भी हो और ₹50 की हमारी 50 ऐनिवर्सरी भी हो तो उस कन्सल्टन्सी में हम अपने जितना भी स्टाफ हैं, जितना भी shareholder हैं, उन सबको एक जो यादों के तौर पर अगर हम एक coin प्रोवाइड कराये, जिससे हमको भी एक याद बनी रहे, क्योंकि सर यादें हमेशा जिंदा रहेंगी। पैसा तो आने जाने चाहिए, चलती रहेगी।

लेकिन जो ये लॉन्ग टर्म यादें हैं की हमारी कंपनी ने भी पचासवें ऐनिवर्सरी पे गवर्नमेंट से एक अप्रूवल लेके देश की भागीदारी में कॉन्ट्रिब्यूशन कर के एक बहुत अच्छा काम करना है तो इसके ऊपर भी बोर्ड को कुछ सोचना चाहिए की किस तरीके से हम अपने आप को एक कर सकते हैं। जहाँ तक सिनारियो और नॉर्म्स की बात है वो काफी चेंज तो हो गयी है लेकिन अगर हम आगे से एजीएम को फिजिकल भी करें तो इस वीसी के माध्यम से हाइब्रिड एजीएम करने के बारे में जरूर सोचें। ताकि जो भी शेयर होल्डर्स अपने रजिस्टर्ड ऑफिस तक नहीं पहुँच सकता। तो वो इस वीसी के माध्यम से आप से जुड़कर अपने जो सजेशन है और जो आपके साथ कॉन्ट्रिब्यूशन है वो जरूर जारी रख सकें, क्योंकि इस वीसी ने यह दिखा दिया है की हम किस तरीके से अपने पैसे को बचा सकते हैं और किस तरीके से आपके साथ जुड़ सकते हैं। जहाँ तक सर मैं एक ये भी बात सोच रहा हूँ की जहाँ ये जो हम mask वगैरह के बारे में अवेर्नेस के तौर पर देखें तो हम जो मॉस्क डिस्ट्रिब्यूशन है उसके अंदर भी अभी पार्टिसिपेशन कर सकते हैं क्योंकि कई लोगों ने मैंने देखा है की मॉस्क लगाने बंद कर दिए। लेकिन सिनारियो इतना बड़ी ठीक नहीं हुआ तो हम फिफथ गोल्डन जुबली के तौर पे mask भी प्रिंटेड कराके अगर हम बांटते है तो उससे भी हमारी कंपनी में प्रमोशन में बहुत सहायता मिलती है तो ये भी एक बहुत अच्छा ऑप्शन है। इसके बारे में भी देखा जा सकता है। बाकी में सेक्रेटरी डिपार्टमेंट का अपने नरेंद्र जी का भी धन्यवाद करना चाहूंगा जिन्होंने मुझे आपके जुड़ने के लिए ऑन टाइम स्पीकर के लिए लिंक भी भेज दिया था और आपने जोड़ने के लिए मुझे रिमाइंडर भी दिया। उनका बहुत बहुत धन्यवाद करता हूँ, थैंक यू सर, थैंक यू सो मच टू गिवेन मी धी ओप्योरच्युनिटी और उनको मैंने ऐन्युअल रिपोर्ट की हार्ड कॉपी के लिए भी रिक्वेस्ट दी थी, वो भी मुझे कल रिसीव हुई है। थैंक यू सर, थैंक यू सो मच।

**Ravi Jhunjunwala:** थैंक यू चड्ढाजी। जैसे आपने सुना होगा मैंने पहले question के जवाब में बताया था कि एक्सपैन्शन हमारा बिल्कुल समय से चल रहा है। कुछ प्रोसेसिज़ ऑलरेडी चालु हो गए हैं और जो बाकी कुछ है वो अगले तीन चार महीने में हमारा एक्सपैन्शन फुल्ली कंप्लीट हो जायेगा और जियोपॉलिटिकल सिचुएशन, जिसपे कोई भी कुछ कमिट नहीं कर सकता है, बट अपने वी आर इन द राइट प्लेस एट द राइट टाइम, एस आई सैड, इलेक्ट्रिकल आर्क Furnance इसकी ग्रुप सारी दुनिया में हो रही है। पिछले 15-20 साल में पहली बार हमने देखा है। करीब करीब 25 से 30 मिलियन टन के नए इलेक्ट्रिक फैसिलिटीज़ बिल्ड हो रही है वर्ल्डवाइड। इंडिया में भी टाटास ने पहल की है। उन्होंने ऑलरेडी दो ढ़ाई मिलियन टन का अनाउंसमेंट किया है जो बहुत सालों के बाद इतनी बड़ी कपैसिटी आ रही है की जैसे जैसे इलेक्ट्रिक बनेगी और इसी हिसाब से हम लोगों ने ये डिशिशन लिया था और जब ये जनवरी प्लान तो करीब करीब 1,00,000 टन के आसपास पहुँच जाएगा। ये वर्ल्ड का सिंगल लार्जस्ट प्लांट हो जायेगा। आज भी हम वेरी क्लोज़ टू द लार्जस्ट तो है ही, बट सिंगल लार्जस्ट हो जाएंगे बाइ नेक्स्ट ३-४ मंथ्स टाइम। आपका जो कोइन्स वगैरह का ये ये बहुत अच्छा सजेशन है ये इसमें हम गौर करेंगे। एस फार एस डिविडेंड का जो सवाल है इसपे हमारे पास अभी भी समय है। I am sure पूरा बोर्ड आज हमारे आपके साथ जुड़ा हुआ है। सब सुन रहे है और बट हमने एक 30-40 परसेंट payout रेश्यो को एक पेआउट पॉलिसी बना रखी है बहुत सालों से वो हम मेंटेन कर रहे हैं। इस साल भी आपने देखा होगा करीब 35 से 40 के बीच में हमारा पेआउट रेश्यो रहा है ऐंड होफुली मेंटेन दैट इन फ्यूचर ऑल्सो थैंक यू चड्ढा जी।

I'll now invite Shripal Singh Mohnot. Who has also registered himself as a speaker.

**Shripal Singh Mohnot :** आप मेरे को सुन पा रहे है, सर?

**Ravi Jhunjunwala:** हाँ जी, बिलकुल।

**Shripal Singh Mohnot :** मैं श्रीपाल सिंह मोहनोत, गुरुग्राम हरियाणा से बोल रहा हूँ सर आप सबको सादर प्रणाम सादर नमस्कार आदरणीय चेयरमैन साहब, एमडी साहब ईडी साहब आप सब के डायरेक्शन में कंपनी ने अमूल्य 50 सालों में बहुत अच्छी तरक्की की है। इसके लिए मैं आपको और आपके पूरे बोर्ड को बहुत बहुत बधाई देता हूँ। कंपनी की स्वर्ण जयंती पर्व तथा भारत के अमृत महोत्सव के अवसर पर आप सबको तथा कंपनी के सभी कर्मचारियों को भी बधाई देता हूँ। इन सब की तपस्या से कंपनी स्वर्ण जयंती पर्व मना रही हैं। आप भारत के प्रधानमंत्री जी का सपना डिजिटल इंडिया, मेक इन इंडिया इंडिया बनाने में बड़ा योगदान कर रहे हैं। आपके अच्छे शासन और प्रशासन की वजह से कंपनी निरंतर गोल्डन पथ पर आगे अग्रसर है। सुनहरे अवसर पर कृपया बोनस व स्प्लिट पर जरूर विचार करें। ये सभी के हित में होगा। आने वाले सालों में विस्तार की योजना को विस्तार से बताएं तथा पूंजी की व्यवस्था कैसे करेंगे?

आपसे निवेदन है कि भविष्य में भी एजीएम वीडियो कॉन्फ्रेंसिंग के द्वारा कीजिये। इससे तन मन, धन की बचत होती है, जो कंपनी की प्रगति में बहुत बड़ा योगदान होगा। आपके ईडी साब, सीएफओ साहब और कंपनी सेक्रेटरी साहब तीनों मिलके जो कंपनी की बैलेंस शीट को मजबूत स्थिति में पहुंचा रहे हैं, उनके लिए भी मैं आभार व्यक्त करता हूँ। कंपनी सेक्रेटरी समय पर balance sheet aur नोटिस भेजा, उसके लिए भी मैं उनका आभार व्यक्त करता हूँ। उनके सहयोगियों ने मेरा जो मार्गदर्शन किया है तो उनके लिए भी उनका आभार व्यक्त करता हूँ। कंपनी की स्वर्ण जयंती पर्व पर आप फैक्टरी विज़िट की व्यवस्था करेंगे तो सोने में सुहागा होगा। ये अवसर हमेशा याद रहेगा। जय हिंद, जय भारत।

**Ravi Jhunjhunwala:** Thank you Shripal Singh ji. Dhanyavad.

I'll now like now to invite Shri Vinod Motilal Agarwal who has registered himself as a speaker.

**Vinod Motilal Agarwal:** Hello.

**Ravi Jhunjhunwala:** Ha boliye boliye Vinod ji.

**Vinod Motilal Agarwal:** Respected Ravi Jhunjhunwala ji, Chairman, Managing Director & CEO; Executive Director, Manish Gulati ji; CFO, Gulshan Kumar Sukhuja ji; CS Vivek Chaudhary ji.

Good morning and regards to everyone, I'm Vinod Agarwal speaking from Mumbai, sir I have voted for all the 8 resolution to be passed in today's AGM.

Sir 1 or 2 my query sir. The revenue of company over 2281 crores 75% higher than the previous year and out of this 2281 crore top line we exported 65% of our products to 35 countries, so we are good Net foreign exchange earner, then the foreign exchange outgoer and the PAT was 391 crores and the margin was 17%.

17% margin, PAT Margin is a very good thing for any company, Sir. Most of the companies in production and industrial company have less than 10% PAT margin.

Our company having 17% PAT margin is very good and healthy sign sir, the EPS was it 101 given on dividend of ₹40 on a face value of 10, Sir, I think it is a good enough subway. As the other speaker said, ₹50 would have been better things, Sir.

Sir we are virtually a debt free company, Sir. We have a zero long term debt and even as a short term debt is about 660 crores against that we have got reserves in cash and cash balance reserves also, so virtually debt free, Sir.

Sir, last bonus. I think she was announced in 1994, I think so. This was the Golden Jubilee. This was the perfect time for you to announce a bonus. You have not done so you may consider this within the Golden Jubilee year. And if you could, it would be grateful Sir. I also requested the management to look on to the financial pages in the annual report after pages 112. So if you have the annual report in front of you, just open the page annual 112 if you could.

Sir the printing out there is so light for the figures you cannot read them. Sorry it's such a strain on the eye sir. You cannot read those figures it is so light, the contrast is not right, it would be better served, if the contrast is better for the future.

Our plant is the world single largest facility for graphite electrodes. Certain on this last year in the previous years Electrodes produced in China were affected due to pollution issues. Sir, when are we in the medium term likely to face those pollution issues for producing electrodes?

Because China had restrictions on producing electrodes due to, you know, pollution issues out there, sir are we likely to have those kind of issues in the medium term?

Sir, this is my small query Sir.

Sir metal, prices last year were at a peak. Now they are softening and when the metal prices are high then the relations are high for the metal company they will buy Electrodes are good prices, Sir. We had a peak period about a year ago, Sir. A Year or 6 months ago, Sir. Now metal prices are softening, Sir. Are we likely to have that same kind of price realizations and margin that we enjoyed about a year ago or 6 months ago. This is my small query with you.

One second, Sir. Sir we have done our capacity expansion by 25% from 80,000 ton to 1 lakh ton. That is to internal accruals. This is very good sign sir we are still not taking debt in our books. At 800 crores already spent and 400 crores will be spent in this this year and the world is moving towards blasted out of large bonus into electric arc furnaces, which is a good thing and a good sweet spot for our company. And as you said that the company at the right time, right thing, the right place it. To expand the capacity, I'm sure we will have better results in the coming year, Sir. OK. Signing off Vinod Agarwal from Mumbai, wish the company all the best. The company remain healthy and debt free and keep on expanding, Sir. Thank you. Signing off Vinod Agarwal.

**Ravi Jhunjunwala:** Thank you. Thank you, Vinod ji. Your observation is absolutely correct. We have been, we've maintained our 65% export realization out of total sales and this is not the fluke year. I mean in the last 20-25-30 years we have ranged between 60 to 70% of exports and we will, will maintain the same ratio going forward. You spoke about China and pollution. See, first of all, see China. We don't compete with China in most of the products. There's a very small segment of very low quality product that we also produce.

In 75-80% of our production, we don't compete with China at all. As far as pollution aspect is concerned, we are meeting all the all the norms, all the regulations and our pollution is not more than what other similar companies do in Japan or in America or anywhere else.

मार्जिन वगैरा जैसे आपने कहा उसमे जो भी जिओपोलिटिकल सिचुएशन है उसका इम्पैक्ट थोड़ा थोड़ा शुरू हो गया है।

What we have seen in the last 2-3 quarters we are not seeing in next 2-3 quarters. Which is obvious all the problems that we are everybody facing and specially with the serious problem of power and gas prices in Europe and America. Jo Impact sab par hoga har product pe hoga vo ham par bhi hoga. Ham obviously achutt nahi reh sakte.

So with that I'll now like to invite our next speaker who is Ankur ji. Ankur Chanda.

**Ankur Chanda:** Am I audible sir?

**Ravi Jhunjunwala:** Haan ji. Bilkul.

**Ankur Chanda:** Good afternoon sir. Sir I just want to say that our corporate governance is too good.

सो इतने सर कोई स्पेसिफिक क्वेश्चन नहीं है क्योंकि बेसिकली जीतने स्पीकर पहले बोले है और आपने भी स्पीच दिया उसमें मोस्टली जो मेरे क्वेश्चन है वो कवर हो चूके हैं। बस यही चाह रहे है सर की बस आप इसी मेहनत से इसी लगन से काम करते रहे कि हमें रिटर्न अच्छी मिलती रहें, क्योंकि छोटा इन्वेस्टर तो यही चाहता है ना सर की उसको रिटर्न अच्छी मिलती रहती है। किसी तरह से भी कंपनी में मैनेजमेंट अच्छा काम करे।

बाकी जो हमारे सीएस वगैरह है डिपार्टमेंट सीएस डीपार्टमेंट है, वो तो फैबुलस काम कर रहा है सर। कभी भी कोई ग्रीवेंसेस हो उनसे पूछो या उनसे कोई बात करो तो ये 1 मिनट में सॉल्व करते हैं, इसलिए कोई दिक्कत नहीं आती। सर बस सर धन्यवाद इसके साथ।

**Ravi Jhunjunwala:** Thank you Ankur ji. Thank you. I'll now invite Shri Manoj Gupta.

**Manoj Kumar Gupta:** Hello. Good afternoon respected chairman.

**Ravi Jhunjunwala:** Good afternoon Manoj ji.

**Manoj Kumar Gupta:** Good afternoon, respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I'm equity Schroeder of HEG Limited. Namaskar.

First of all, I thanks to you and your vote for the best and excellent results for the year 2021-22 in this deprive and and and in this several global and internal challenges.

And thanks for your dividend that we are paying a good dividend maybe people can see you pay 1000%, 600%. But in this deprived market, in this global challenges, you are paying the 400% dividend good that you are continue and in your opening remarks and in your reply to the investors you have mentioned that you your policies from last several years to pay that 35 to 40% dividend to the investors.

It's a good sign there. We investors ask the promoter, that's what's your dividend policy and how you will pay the dividend in future and what's your but you have announced yourself that our policy is clear that we if we want beyond then we will pay 35% to 40%. So it's a good and I thanks to the company secretary and his team for help us to join this meeting through VC and specially Mr. N K Jain after got the registration he always keeps in touch with the investors to help us to join this meeting, even that he called several times.

Future plan you have already explained and I also warm welcome Mrs. Singhania in our board. She has vast experience about the industry and we have a great respect and regards to her, her family of Singhania's, but this year we have missed you in JK Lakshmi meeting, you have not joined.

And Sir, have you any plan to split the Shares. Split of shares may consider as a mini bonus i.e you can split the Share 1:2 or 1:5 to increase market liquidity and market capitalization and attract the small shareholders to buy the shares of the HEG. And Sir what will be the global impact direct or indirect? On our company through the Russia, Ukraine war and huge inflation because inflation has gone up raw material prices has gone up 20% to 30% every raw material. So how you face the challenge of inflation because the fuel prices has gone up, energy prices as gone up and Unclaimed dividend before send that dividend to this investor education protection funds sent a notice to the shareholders that they can collect their dividend from the company, because our company secretary knows the new law and you are entire board knows the new law of Company's Act, 2013 if the shareholder will not encash the dividend the entire equity have to transfer investor Education Protection fund, so a new burden will come on the company and the investor. So before that, now it is several companies putting their name on the website. If the investor open the website of the company they find, they find their name on the unclaimed dividend list so they can claim their dividend from the company. Expenses, try to reduce the more expense expenses because we try to take the positive step to reduce the expenses and disputed cases. Several cases are running from long time and try to settle that.

And Sir one lac ton, I wish to God to company reach on this junction at early and we have a proud that our largest customer of Tata in the country and you have just now announced that our export is 65% of products and so that means you are fulfilling the vision of our Prime Minister to make in India with the logo of make in India by exporting the product. China everyone is worry for China. Two days back I was attending a meeting of other company, and their chairman says some words about the China. Jisne failaya vo santi se bethi hai or duniya bhugat rahi hai us anjam ko aaj bhi ham bhugat rahe hai duniya bhugat rahi hai. Aur vo aaj maje le raha hai. Par aaj uski bhi halat kharab hai sir. Kyuki vaha dictatorship hai, censorship hai, khabare bahar nahi aa rahi hai but aaj uske Airport bandh hai, kuch cities bandh hai.

And sir what's your plan for carbon credits? Carbon footprints. And I wish to God to give you more success and I request you to call the AGM through VC so that PAN India investors can attend the AGM and can see your face because it's very difficult to meet you physically, but see your face on the video conference sir, because you are a very energetic and very great man of the corporate sector and we can see all the directors on the VC and think about to return to the investors on the eve of 50<sup>th</sup> years because in these contacts you should they ask Mrs. Singhania, she always believed to return to the investor on any occasion. So you should think about the employees and investor, how you will return to the investors and employees to keep memory in their minds for 50<sup>th</sup> year. Thank you, Sir.

**Ravi Jhunjunwala:** Thank you, Manoj ji. Thank you. I'll now invite to Shri Goutam Nandy who has registered himself as a speaker.

**Goutam Nandy:** Am I clearly audible, Sir?

**Ravi Jhunjunwala:** Yes sir, very clear.

**Goutam Nandy:** Thank you, Sir. Good afternoon and Namaskar.

Respected Chairperson, board of directors and my online fellow shareholders. Myself Goutam Nandy of Kolkata, the city of Joy. Very old equity shareholder of HEG Limited. Sir firstly I'd like to give thanks to your secretarial department for sending me annual report and other necessary relevant papers through email well in advance and also thanks for connecting me in this VC platform in a very smooth manner. So special thanks to our respected company Secretary, Mr. Vivek Chaudhary and his whole team for rendering good services to our minority shareholders.

Sir, you are organizing your annual general meeting through video conference for the 3rd time which is a grand success like the previous years.

Sir your annual report is very attractive and also very informative which is self explanatory. Sir in this context I'd like to suggest. Please issue hard copy of Annual Report at least to the speaker shareholders and please also mention the speaker's serial number with your link though you have provided the same in this year, so please maintain it.

Sir we are passing through a very tough and pandemic situation. COVID-19, Russia, Ukraine, War etc, etc. Heavy company is suffering, preach. But I find in this challenging year our company's Performance is Excellence. You are also giving very good dividend to our minority shareholders. Sir dividend me koi chota bada nahi hota hai. Dividend dividend hi hota hai. Har dividend ham logo ke liye ek rewaed hota hai. So thanks for your good dividend in these tough markets scenario.

Sir, I would like to know what is your road map for the next 3 to 4 years? Sir, your CSR activities are remarkable, so please keep it up. Sir, have you given boosted dose to your each employee of your company? If not, please arrange immediately because they are the pillars of our company and Abhi jo position hai situation bahut tough ho raha hai. Abhi Covid badh raha hai. Isi liye mera suggestion hai.

Sir what about our bonus shares. We shall be very happy if you issue bonus shares to our minority shareholders. Last bonus shares we have we got from your end in the year 1994 November 1:1 basis so we are eagerly outings. Sir now your share's face value is ₹10 per share. May I know is there any plan for stocks split up into ₹5 or ₹2 or ₹1, please tell us. Sir, I'm very happy to be a shareholder of your company and I am very hopeful towards the prospect. I have full trust with our strong management sir. And so I wholeheartedly support your all resolutions though I have already casted in my to my e-voting not only me, along with my family. Obviously in favor of you, Sir. I'm very happy with your company.

Sir nothing to say more today. Looking forward with a positive outlook towards our company with higher profit margin, handsome dividend, 1:1 bonus and return, Sir. May God bless you, Sir. Stay safe, stay healthy. Thank you very much, Sir.

**Ravi Jhunjunwala:** Thank you Mr. Nandy. Most of our employees have got booster dose. We had organized on 2-3 occasions when in one single day we were able to do 800 to 900 doses, 2-3 times. The bonus, Split and special dividend and everything that you spoke about, everybody is

is listening to you, the whole board is in front of you. I'm sure we'll talk about it at the proper appropriate time.

So with this, I thank all the all those 6-7 shareholders who registered themselves, who spoke and with this let me go to the next next item on the agenda.

Thank you shareholders for are asking very insightful questions and making your own suggestions in this virtual AGM. I would now like to take out items as set out in the notice convening the meeting.

Members may note that e-voting module for voting during AGM is active now.

With your permission, the first item for your consideration is to adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022, the reports of the Board of Directors and Auditors there on an Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022 and the reports of the Auditors, there on.

This resolution is placed before the meeting to be passed as an Ordinary Resolution.

The second item for your consideration is to declare a final dividend of ₹40 per share of the face value of ₹10 each for the financial year 2021-22.

The resolution is placed before the meeting to be passed as an Ordinary Resolution.

The third item for your consideration is to appoint a director in place of Shri Manish Gulati (holding DIN: 08697512), who retires by rotation in terms of section 152(6) of the Companies Act, 2013, and being eligible, offers himself for the appointment.

This resolution is placed before the meeting to be passed as an Ordinary Resolution.

The fourth item for further consideration is to appoint director in place of Smt. Vinita Singhania (holding DIN: 00042983) who retires by rotation in terms of section 152(6) of the Companies Act, 2013, and being eligible offers in herself for re-appointment.

The resolution is placed before the meeting to be passed in as an Ordinary Resolution.

The fifth item for your consideration is to re-appoint M/s. SCV & Co., LLP, Chartered Accountants (Firm Registration Number: 000235N/N500089), as statutory auditors of the Company and to fix their remuneration for the second term of 5 consecutive years.

Resolution is placed before the meeting to be passed as an Ordinary Resolution.

The sixth item for your consideration is to approve the appointment of Shri Davinder Kumar Chugh (holding DIN: 09020244), as an Independent Director.

This resolution is placed before the meeting to be passed as a Special Resolution.

The seventh item for consideration is to approve the modification in remuneration of Shri Manish Gulati (holding DIN: 08697512), Whole-time Director designated as Executive Director of the Company.

The resolution is placed before the meeting to be passed as a Special Resolution.

The eighth item for your consideration is to ratify the remuneration payable to M/s. N D Birla & Co., Cost Auditors (FRN: 000028) of the Company of the financial year 2022-23.

The resolution is placed before the meeting to be passed as an Ordinary Resolution.

Members who have not cast their vote through remote e-voting or e-voting during the proceedings of AGM are requested to kindly vote on all these proposed resolutions with numbers 1 to 8 of the notice of AGM. The e-voting module in the AGM is already active.

The icon (EVEN number) for e-voting is available on the screen, which will redirect you on a separate window to the e-voting portal of NSDL. The e-voting facility is active and will be closed after 30 minutes with the conclusion of this meeting.

Members may note that the results of remote e-voting shall be downloaded by the Scrutinizer and he would prepare his report on the same. Thereafter, he will club the remote e-voting results with the results of the voting at AGM. The Scrutinizer shall submit his report to me and I shall counter sign the same.

Thereafter, the combined results will be announced and displayed through the website of the company [www.hegltd.com](http://www.hegltd.com) and NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within 48 hours from the conclusion of this meeting and be intimated to the stock exchanges where the securities of the Company are listed. Further, a copy of the same shall also be placed on the notice board at the registered office and the corporate of the company.

The combined results will be treated as part of the proceedings.

Dear Members, as advised by the scrutinizer, all members who are participating in the annual general meeting have been given adequate time and opportunity to vote at the AGM and this concludes the proceedings of the AGM. However, the e-voting facility will be kept open for the next 30 minutes or so to enable shareholder to cast their votes.

Thank you all for participating in the AGM and stay safe. Thanks again.

**Vivek Chaudhary:** Thank you, Chairman, and thank you Board. And thank you all the shareholder for sharing your views.

Actually we have also received message from the chat box facility which will reply accordingly and with this the formal meeting is over. The e-voting module is on for the next 30 minutes. Thank you. Thank you all shareholders and panelists.

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