

PIPELINE INFRASTRUCTURE LIMITED

Transcript of the Fifth Annual General Meeting

Day & Date of meeting	Friday, September 8, 2023
Duration of the meeting	11:00 a.m. to 11:35 a.m.
Mode	Video Conferencing
Deemed Venue	Seawoods Grand Central, Tower-1, 3 rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai - 400706

Attendees:

Directors & Key Managerial Personnel:

- Mr. Arun Balakrishnan - Chairperson of the Board & Independent Director
- Mr. Akhil Mehrotra - Managing Director & Chief Executive Officer, Chairperson of Risk Management Committee
- Mr. Chaitanya Pande - Independent Director, Chairperson Nomination and Remuneration Committee and Stakeholders' Relationship Committee
- Ms. Kavita Venugopal - Independent Director, Chairperson of Audit Committee and Corporate Social Responsibility
- Ms. Archa Jain - Non-executive Director
- Ms. Pooja Aggarwal - Non-executive Director
- Mr. Mahesh Iyer - Chief Financial Officer
- Ms. Neha Jalan - Company Secretary

Members:

Representatives of all 7 Equity Shareholders

Invitees:

- Representative of Joint Statutory Auditors
- Representative of Secretarial Auditor

Ms. Neha Jalan: Good Morning everyone. I, Neha Jalan, Company Secretary of the Company, welcome all the members, directors and invitees to the 5th Annual General Meeting of Pipeline Infrastructure Limited.

I request all the attendees to keep themselves on mute and all the members to keep their video on during the proceedings of the Meeting. Members will have the opportunity to speak once we open for Q&A.

Please be informed that the Meeting is being conducted through video conferencing in compliance with MCA circulars and is being recorded.

The Annual Report and the notice of this Meeting was served electronically to all the members and other stakeholders within the prescribed timelines and are also available on Company's website i.e. www.pipelineinfra.com.

Statutory registers such as Register of Directors and KMPs, Register of Members, register of Contracts or Arrangements in which Directors were interested and such other documents

referred to in the Notice are available for inspection by the members during the Meeting who had written to the Company before the Meeting.

In terms of the Articles of Association of the Company all business to be transacted at a general meeting of members of the Company shall be decided on a poll.

Accordingly, facility of voting through online poll will be provided during the Meeting. Equity shareholders or their representatives shall cast their vote on the resolutions, by filling in the details as required in the online polling forms and submitting their response.

Polling process will be conducted in compliance with the applicable provisions of the Companies Act, 2013 and MCA Circulars and members will be briefed on the polling process later during the Meeting. Polling process will be conducted and scrutinized by the Company Secretary and the result of the voting will be announced at the end of the Meeting.

Representatives of Joint Statutory Auditors and designated Chairperson of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee are also attending the Meeting. We also have the representative of the Secretarial Auditor attending this meeting today.

I now request Mr. Balakrishnan, Chairperson of the Board to preside over the Meeting.

I confirm that all the members are present and there is adequate quorum.

Mr. Arun Balakrishnan: Thank you Neha.

Good Morning everyone. I welcome all the members, directors and invitees to the 5th Annual General Meeting of the Company.

I confirm that:

- The Meeting is being attended by 7 members representing 100% of the equity share capital of the Company and the Company has received the necessary corporate authorizations in this regard. The quorum being present, I call the Meeting to order.
- All reasonable efforts have been made by the Company to enable the members to participate and vote on the items being considered at the Meeting.

We are now commencing the proceedings of the Meeting.

With the permission of the members present at the Meeting, I take the Notice of the 5th Annual General Meeting as read.

The report of Joint Statutory Auditors and the Secretarial Auditors are unqualified and are therefore not required to be read.

I now request Mr. Akhil Mehrotra, Mr. Mahesh Iyer and Ms. Neha Jalan to provide a brief update on the operations and financial performance of the Company and the agenda proposed to be considered at the Meeting.

Mr. Akhil Mehrotra: Thank you.

To give a brief overview of the Health, Safety, Security and Environment performance of the Company, our performance remains robust as it has been in the past. There have been no high-risk incidents in the past few months. Further, the near miss reporting has been very robust.

In terms of the performance of the Company, we have seen favorable volumes for the current year, helped by some higher RLNG volumes because of lower energy prices.

On the Operational side, the Pipeline Availability, Critical Equipment Reliability and Pipeline Integrity Index are all in line with the targets set for the year. We have been working on various new projects including Hydrogen blending, which we will continue to work on. Furthermore, we have continued our efforts towards reducing our costs and increasing decarbonization.

From the aspect of volume performance – the year has been favorable. Increase in volume is visible as against the target of 30.56 MMSCMD. Higher supply of LNG volumes continues to be the primary reason for that.

I would now request Mahesh to take us through the financial performance.

Mr. Mahesh Iyer: Thank you Akhil.

Annual Report for FY23 was circulated to all the members, hence, highlights of the financial performance are as follows:

- FY23 was an encouraging year with several good elements; We had higher GTA revenue i.e. transport and parking lending in FY 23 in comparison to previous financial year. We had more R-series and ONGC gas flowing into the system which was a supply being made to NFCL. Gas volumes transported were 23.68 MMSCMD in FY23 as compared to 20.56 MMSCMD in the previous year. EBITDA rose by 4.4% to Rs. 2,109 Crore in FY23 as compared to Rs. 2,020 Crore in FY22 despite absorbing higher SUG costs.
- Increase in employee benefit expenses were mainly due to higher no. of employees, annual increments during the year as well as F&F settlements of some Senior Management Team members during FY 23.
- Finance cost is lower due to repayment of principal during the year.
- Fair Value gain/loss on unlisted NCDs is on account of change in discounting factor and refinancing rate expected on our external NCDs.
- Other expenses were higher mainly due to higher cost of fuel (by Rs. 223 Crore approx.) due to higher SUG rates in FY23, higher stores consumption and higher repairs cost due to some long-term opex projects carried out during the year.

Basis the above performance, we have a positive net worth of Rs. 373 Crores, despite cumulative fair value loss of Rs. 1,339 Crore on account of fair valuation of unlisted NCDs.

Thank you.

Ms. Neha Jalan: Thank you Mahesh.

We will now move to the matters that is proposed to be considered at this Meeting.

We have 3 Ordinary Businesses, which are as under:

Agenda Item No. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

Brief on the same has been already provided by Mr. Iyer.

Members are requested to approve the agenda item by passing the ordinary resolution.

Agenda Item No. 2: To appoint a director in place of Mr. Akhil Mehrotra, Managing Director (DIN: 07197901), who retires from office by rotation and being eligible, has offered himself for re-appointment

Agenda Item No. 3: To appoint a director in place of Ms. Pooja Aggarwal, Non-executive Director (DIN: 07515355), who retires from office by rotation and being eligible, has offered herself for re-appointment

As per the applicable provisions of Companies Act, 2013, both, Mr. Akhil Mehrotra Managing Director and Ms. Pooja Aggarwal, Non-executive Director were due to retire by rotation this year and being eligible, have offered themselves for re-appointment.

Brief resume including their qualifications, experiences, expertise in specific functional areas and other required details were included in the notice of AGM.

The above re-appointments have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors.

None of the Directors of the Company and/or their relatives, except Mr. Mehrotra and Ms. Aggarwal, are in any way concerned or interested in the proposal.

Approval of members is sought by way of ordinary resolution.

Moving on to the 4 Special Businesses, as under:

Agenda Item No. 4: To consider and approve the amendment in Articles of Association of the Company.

In terms of recent amendment Regulation 23 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Articles of Association ("AoA") of Company shall provide for appointment of Nominee Director as nominated by the Debenture Trustee in cases of default.

Accordingly, the Company was required to modify its AoA. The Board of Directors had approved and recommended the amendment in Article 33.3.3 of the AOA to include the above clause. Existing and proposed Article no. 33.3.3 of AoA and other required details were included in the notice of AGM.

Approval of members is sought by way of Special resolution.

Agenda Item No. 5: To consider and appoint Ms. Kavita Venugopal (DIN: 07551521) as a Non-executive Independent Director

Consequent to the resignation of Ms. Radhikha Haribhakti, erstwhile Independent Director of the Company, in the last quarter, the Board had approved the appointment of Ms. Kavita Venugopal as an Additional Non-executive Independent Director of the Company w.e.f. August 9, 2023, to hold office upto the date of ensuing General Meeting.

Ms. Venugopal is proposed to be appointed as a Non-executive Independent Director for a period of 5 consecutive years w.e.f. August 9, 2023.

Notice in writing from a member of the Company, proposing the candidature of Ms. Venugopal has been received.

Brief resume including qualification, experience, expertise in specific functional area and other required details were included in the notice of AGM.

The above appointment has been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors.

None of the Directors of the Company and/or their relatives, except Ms. Venugopal, are in any way concerned or interested in the proposal. In view of the above, her appointment is being considered at this AGM and approval of members is sought by way of Special resolution.

Agenda Item No. 6: To consider and appoint Ms. Archa Jain (DIN: 10256248) as a Non-executive Director

Consequent to the resignation of Mr. Prateek Shroff, erstwhile Director of the Company, due to pre-occupancy, the Board had approved the appointment of Ms. Archa Jain as an Additional Non-executive Director of the Company w.e.f. August 9, 2023, to hold office upto the date of ensuing General Meeting.

Upon regularisation by members, Ms. Jain will become Non-executive Director of the Company, liable to retire by rotation.

Notice in writing from a member of the Company, proposing the candidature of Ms. Jain has been received.

Brief resume including qualification, experience, expertise in specific functional area and other required details were included in the notice of AGM.

The above appointment has been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors.

None of the Directors of the Company and/or their relatives, except Ms. Jain, are in any way concerned or interested in the proposal. In view of the above, her appointment is being considered at this AGM and approval of members is sought by way of Ordinary resolution.

Agenda Item No. 7: To ratify the remuneration of the Cost Auditor of the Company

In terms of the applicable provisions of the Companies Act, 2013, the remuneration of Cost Auditors is required to be ratified by the members of the Company. Hence, Board at their meeting held on May 15, 2023, has recommended the annual remuneration of Rs. 1,75,000, payable to the Cost Auditors for FY24, for ratification by the members.

Approval of members is sought by way of Ordinary resolution.

I would now request Mr. Balakrishnan to continue with the further proceedings.

Mr. Arun Balakrishnan: Thank you Akhil and team for presenting the update.

Members who wish to speak or have any query on the update and agenda items, may either post their questions in the chat box or click on raise "Raise Hand" tab available on the screen.

(No questions were raised)

There are no questions from what I heard. Neha, are there any questions coming up?

Ms. Neha Jalan: No sir, there are no questions and we can proceed.

Mr. Arun Balakrishnan: We will now commence the voting process and I would request Ms. Jalan to brief the members on the voting process.

Ms. Neha Jalan: Thank you Sir.

- Voting will be carried out through online Polling Paper.
- Link for Polling Paper will be shared in the Chat Box.
- Equity Shareholders or their representatives are requested to fill in the details as required in the Polling Paper, along with their assent or dissent on all the 7 resolutions.
- Members are requested to confirm in the Chat Box once they complete the voting.

(Link of Polling Paper was shared in the chat box)

We will wait for few minutes for the Members to exercise their votes.

(After receipt of confirmation of voting from all the members present at the Meeting and verification of polling papers received).

We have received the voting from all the members. I confirm that all the members who are present at the Meeting and are eligible to vote have completed their voting.

I further confirm that all the online Polling Papers received were valid and the resolutions have been unanimously passed. I request the Chairperson to declare the voting results and conclude the Meeting.

Mr. Arun Balakrishnan: Thank you all, based on the Polling Papers, I declare that all the resolutions have been passed unanimously by the members.

Thank you everyone for your presence at the Meeting and for your cooperation and patience during the conduct of this Meeting.

Disclaimer:

This transcript has been edited for the purpose of clarity and better reading.