

**TRANSCRIPT OF AGM OF DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED HELD ON AUGUST 11,
2023**

Company Secretary (CS): Good Morning, I, Aashima, Company Secretary of Dalmia Bharat Sugar and Industries Limited, attending this meeting from Delhi, welcome you all to the 71st Annual General Meeting of the company being held through video conferencing facilitated by NSDL. This meeting is being held through video conference in compliance with the circulars issued. Participation of members through video conference is reckoned for the purpose of quorum. As per the circulars issued by Ministry of Corporate Affairs and Section 103 of the Companies Act 2013, we have the requisite quorum present. Mr Rajeev Bakshi, the Chairman of the Board of Directors being present, will chair this meeting. Mr Rajeev Bakshi is an independent Director on the Board of the company and is also the Chairman of Risk Management Committee and a member of the Nomination and Remuneration Committee. Mr Bakshi has a leadership experience of over 40 years across food and FMCG businesses.

Rajeev Bakshi (Chairman): Good morning to my fellow members the Board of Dalmia Bharat Sugar and Industries Limited, the management team, auditors, scrutinizer and all the valuable members. The company has taken all feasible steps to enable members to participate through video conference and vote at the Annual General Meeting. I now call this 71st Annual General Meeting of Dalmia Bharat Sugar and Industries Limited to order. However, before we start with the common proceeding of the meeting, I would request the company secretary to first introduce the members of the Board of Directors of the company attending the AGM. Over to you Aashima.

CS: Thank you Sir. All the board members and management personal are attending the meeting through video conferencing from different locations. I would first like to introduce Ms Amita Misra. She is an independent director on the board and the chairperson of the audit committee, the nomination and remuneration committee and the corporate social responsibility committee.

Amita Misra: Thank you Aashima. Good morning, everyone. I welcome you all to the 71st Annual General Meeting of the company. I'm attending the meeting from my residence in Noida. Thank you.

CS: Next, I would like to introduce Mr. P. Kannan. He is an independent director on the board and the Chairperson of Stakeholders Relationship Committee.

P. Kannan: Good morning, everyone. I'm attending this meeting from Chennai. I welcome you all to the meeting.

CS: Thank you Sir. Next is Mr. Gautam Dalmia, the Managing Director of the company. He needs no introduction. He has let the effort to design and implement the companies integrated sugar, ethanol and co-generation business and has hands on experience of leading the Company at the highest level.

Gautam Dalmia: Namaskar and welcome to this AGM. I am attending this meeting from my residence in New Delhi.

CS: Thank you, Sir. Next, I would like to introduce Mr. T Venkatesan he is a non-executive director of the company and a member of the Risk Management Committee.

T. Venkatesan: Good morning everybody. All stakeholders welcome to this meeting. I'm attending this meeting from a residence in Chennai.

CS: Thank you Sir. Next is Mr. Bharat Bhushan Mehta, the whole time Director and CEO of the company. A well-known name in the sugar industry, a visionary and a leader.

B.B. Mehta: Good morning everyone. Welcome to the AGM. I'm attending this meeting from my residence in Gurgaon. Thank you.

CS: Thank you, Sir. I would now like to invite the Chairman to please address the members.

Chairman: Ladies and gentlemen, shareholders and colleagues, I am deeply honored to welcome each and every one of you to the 71st Annual General Meeting of Dalmia Bharat Sugar and Industries Limited. Looking back at the financial year 2023, Looking back at the financial year 2022-23, I am pleased to report that your Company has thrived in a positive sectorial landscape. We achieved a commendable revenue growth of 8% and maintained an impressive EBITDA margin of 15%. However, margins were impacted due to increase in cane prices last year resulting in higher opening inventory valuation which could not be fully offset with higher sales realization. On the Sectoral perspective if we talk about Sugar, Sugar production estimates for Sugar Season (SS) 22-23 are expected to be at 32.8 Mn MT (net of diversion of 4.1 Mn MT) vis-a-vis 35.8 Mn MT in the last season (net of diversion of 3.6 Mn MT) mainly due to lower yields in Maharashtra and Karnataka. As per our preliminary estimates, sugar production for the Season 2023-24 is estimated to be 31.8 Mn MT (Net of diversion of 4.5 Mn MT). Closing stock at Sugar Season 22-23 end is likely to be at 6 Mn MT, i.e., at similar levels that of Sugar Season 2021-22 end. We expect domestic sugar prices to remain stable. On Ethanol, the Government of India has advanced 20% ethanol blending target by 5 years from 2030 to 2025. Expanded range of feedstock is expected to enhance ethanol production across the Country. Your Company has decided to participate in this movement in a big way and is definitely a step towards Aatmanirbhar Bharat by way of energy self-reliance. All India average ethanol blending % for the Ethanol Year 2022-23, till July 2023, is 11.7% against the target of 12%.

I am proud to share that your Company has been strategically expanding its capacity. As of March 31, 2023, we had a distillery capacity of 710 KLPD, including an expansion of 110 KLPD commissioned in October 2022. We are currently in the process of further increasing the Jawaharpur grain distillery capacity from 110 KLPD to 250 KLPD, which is expected to be operational by January 2024. This significant increase in distillery capacity from 600 KLPD as of March 31, 2022 to 850 KLPD by March 31, 2024, will result into approximately 23 Crore Liters of ethanol throughput annually.

Now, embracing the future of ethanol has been transformative for us. During the last financial year, the proportion of revenues from distillery operations increased significantly, from 24% to 31% of the overall revenues. Your distilleries achieved nearly 100% capacity utilization across the board. By focusing on ethanol production, we have reduced the blockage of sugar inventory, which traditionally tied up our working capital.

Your Company also remains committed to core Dalmia values of 'Giving Back to The Community'. Your Company partnered with many NGOs, to enable a medium to participate in many Affirmative Action Plans for upliftment of farmer and other community by enhancing their ability in the areas of Education, Employability and Entrepreneurship. Further, your Company has taken ambitious target for water positivity towards overall environment sustainability after continuously managing 100% clean and green renewable energy generation. Our few of the individual plant segment have already achieved ZERO water extraction for the process which is a big leap forward.

"Our Corporate Social Responsibility (CSR) approach is rooted in inclusive growth and a symbiotic relationship with society, focusing on Sustainable Livelihoods, Climate Action, and Social Infrastructure. During 2022-23, our water and soil conservation efforts yielded a significant water harvesting potential, notably maintaining a water positivity index of 10.57 in our Uttar Pradesh units. The Regenerative Soil Health Project promoted compost and farmyard manure units resulting in substantial savings for the farmers.

Now, if we talk about the Outlook, our goal is to build a strong foundation that will lead to substantial and sustainable long-term growth, benefitting all stakeholders and enhancing value in a sustainable manner. To achieve this, we will proactively leverage opportunities through a robust capital structure, strategic growth investments, digital transformation, and our unwavering commitment to lead the industry in a sustainable way.

I would like to express my heartfelt gratitude to the esteemed members of the Board for their unwavering support and encouragement. My sincere thanks go out to the entire Dalmia Bharat Sugar family for its tireless efforts and invaluable contributions to the Company's success over the years. To our other stakeholders including shareholders, vendors and customers, I extend my deepest appreciation for standing by us and believing in our vision for the future.

Thank you all for your presence today, and I am genuinely excited about the journey ahead. Together, let us forge a path of progress and prosperity.

Thanks, and warm regards, now I would like to invite Mr Anil Kataria the CFO of the company to please give a brief presentation on the key financial highlights of the year 2023. Thank you.

Anil Kataria (CFO): Good morning everyone. I'll take you through to the brief key highlights for financial year 2023. The financial year revenue by 3328 Crore as against 3028 crores. EBITDA at 512 crores as against 507 crores. PBT at 355 crores as against 380 crores, PAT at 250 crores as against 295 crore and cash profits at 371 Crore as against 368 crores. Your company has achieved many milestones during this financial year. We achieved the highest ever turnover at 3328 Crore. Highest ever distillery production and sales at 17 crore litres, highest ever sugar diversions towards ethanol at 1.8 lakh metric tonne and highest ever cane crush during the season 58 Lakh metric ton and closed crushing for sugar season 22 to 23 with 3 units. Jawaharpur, Nigohi, Ninaidevi out of the 5 recording highest ever crush and Ninaidevi unit having crossed 5,00,000 metric ton milestone UP Cane Crush was higher by 13% approximately in the last season and 100% cane payment done by due dates. In terms of the sugar content percentage in Sugar season 22-23 the Ramgarh unit was ranked number one in UP and Kolhapur and Ninaidevi at number one and number 2 position in Maharashtra. So, the projects Commission during the during the financial year were 110 KL grain-based distillery was commissioned during the year and then the marginal capacity expansion and steam saving project was completed at Ramgarh (steam consumption was reduced by around 10%) and Ninaidevi crushing capacity expansion project was also completed with average capacity achieved at 4000 TCD. You know the benefits will accrue in the next financial year.

Now the sugar sector overview sugar production estimates for sugar season 22-23 are expected to be at 32.8 million metric ton net of diversion of 4.1 million metric ton. Vis-a-Vis 35.8 million metric ton in sugar season 21-22 mainly due to lower yields in Maharashtra and Karnataka. As per our preliminary estimate for the season 23-24, sugar production is expected at 31.8 million metric ton net of diversion of 4.5 million metric ton and closing stock for summer season 23 is likely to be at 6 million metric ton which is at similar level that of sugar season 22 with the reduced export of 6.35 million metric data. With this moderate

inventory, we expect the domestic sugar prices to remain stable. In the regulatory updates the fair and remunerative prices was increased by ₹10/qtl for sugar season 23-24 and a base recovery of 10.25% with the premium of 3.07/ quintal for every 0.1% higher recovery over base. UP chain price for sugar for sugar season 23-24 expected to get announced by October/November 23. And now the Indian sugar balance sheet, Indian sugar balance sheet, you know if you see the closing stock from 21-22 it was 56 and the expected for this year is 60 because the production during the year was 328 and after the internal consumption of 275 and exports of 64. The closing stock was more or less similar to last year and next year also it is projected to be a similar level of 68 metric ton with the production of 318 and export of the reduced export base 30 metric tonne and more or less similar level of closing stock as against 20 to 23. And the global sugar balance sheet also was more or less balanced. The end stock was 100 in 21-22 and the next year projected is also similar at 101. The scale of a patients the cane crush has been steadily increasing from 46 MT to 49 MT to 50 MT in 2021, 53 metric ton in 21-22 and 58 metric ton in 22-23 And normative recovery is fairly stable and steady with the blended recovery increasing from 12.13% to 12.20% with the UP up from 11.63% to 11.80%. Has explained earlier our Ramgarh unit had the highest sugar content and Ninaidevi and Kolhapur remained at number one and number 2 in Maharashtra.

And this is the sugar diversion. Continuously our endeavor has been always to continue continuously increase our sugar diversion. So, the sugar diversion in this 20 to 23 has gone up from 11.6 lakh metric ton to 1.8 lakh metric ton. So, the sugar in the system has more or less remained the same and because the equivalent sugar price of diversion is much higher than the prevailing price of sugar. So, this has resulted into higher value creation for the company. Thank you so much.

Chairman: Thank you, Mr Kataria. I will now hand it over to the company secretary to conduct the futher proceedings please.

CS: Thank you, Sir. Dear members, please note that the e-voting facility on the resolutions proposed in the notice of the Annual General Meeting is enabled throughout the meeting and shall remain enabled for 15 minutes thereafter. Those members who have not voted through remote e-voting during August 08 to August 10, 2023 could please use the e-voting facility and complete their voting.

Mr. Vikas Gera, Practicing Company Secretary, has been appointed by the Board of Directors as Scrutiniser to ensure that the e-voting process is conducted in a fair and transparent manner and to scrutinise the votes cast by members through remote e-voting and e-voting during the meeting.

All documents and registers referred to in the notice of the Annual General Meeting and required under the Companies Act, 2013 including inter-alia Register of Directors, Key Managerial Personnel and their Shareholding and Register of Contracts are available electronically for inspection by the members.

As the AGM is being held through video conference, the facility for appointment of proxies by the members is not available.

The floor will be open for members for question answer session after completion of formal proceedings of the meeting. The moderator will facilitate this session once the Chairman opens the floor for questions and answers. It may please be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Members are requested to refer to the instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any

difficulty, they may reach out on the helpline numbers.

As the Notice of this AGM has already been circulated to all the members, with the permission of the Chair, we would like to take the same as read.

Chairman: Yes, please.

CS: Ordinary Business: Item No. 1 is to consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Auditors and Directors thereon. The Financial Statements and the Reports of the Auditors and Directors thereon have already been circulated to all the members.

There is no qualification, reservation or adverse remark in NSBP & Co., the Statutory Auditors' report on the Financial Statements. The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any comments and explanation. The Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013.

Also, there is no qualification, reservation or adverse remark in the the Secretarial Audit Report of Vikas Gera & Associates, the Secretarial Auditor of the Company.

Item No. 2 is to consider and declare a dividend of Rs. 1/- (50%) per equity share of Rs. 2/- for the financial year 2022-23.

Item No. 3 is to to appoint a Director in place of Shri T. Venkatesan, who retires by rotation and being eligible offers himself for re-appointment.

Item No. 4 is to consider and approve the remuneration of M/s. NSBP & Co., Chartered Accountants, the statutory auditors of the Company for the financial year 2023-24.

Special Business, Item No. 5 is to consider and ratify the remuneration of M/s R. J. Goel & Co., Cost Accountants, the Cost Auditors of the Company for the financial year 2023-24.

Item No. 6 is to consider and approve remuneration payable to Non-Executive Directors upto one percent of the net profits of the Company (in addition to sitting fee) in aggregate.

There is no other business to transact.

Chairman: Thank you, Aashima. While the e-voting is still in the process and will continue for 15 minutes even after the meeting. I would now request the moderator to take up the questions of members which have been submitted one by one. Members are requested to keep the questions brief and specific. I also request Mr Pankaj Rastogi, the CEO of the sugar business, and Mr Anil Kataria, the CFO of the company, to please respond to the queries.

Moderator: Mr. Desingu, You are now unmuted. Kindly ask your question

Speaker 1: Good morning, Sir. Hello I am from Trichy. I would like say that I am pleased to see the consistent result of the company year on year with the highest ever revenue. What are the expansion plans of the company in future to ensure the growth in the long term Okay?

Mr. Rastogi (CEO- Sugar Business): Thank you. Yeah. Mr Desingu, I mean as you are aware your company has very consistent growth path and you know we are, we are in a very strong footing in terms of way our businesses organized. You know in terms of growth we have always been looking for new ways to grow, we have plans for increasing both sugar and ethanol capacity you know which will help us grow it at consistent place in the long term. As you would have seen from the Chairman speech and the presentation, we are also expanding our sugar and small capacity this year. Also, our sugar capacity during the current financial year will go up to 38,450 TCD and distillery capacity will go to 850 kilometre per day. Thank you.

Moderator: Now we have next speaker shoulder Mr. Varun Khanna, Mr. Varun, you are now unmuted. You can ask your question, you may also switch on your video if you want to.

Speaker 2: My question is what is the expected impact of electric vehicles growth on ethanol demand? Will it substantially affect our ethanol expansion plans?

Mr. Rastogi: Yeah. Good morning, Mr. Varun., Sir. Yeah, I mean EVs are certainly growing at a substantial pace these days but considering practical issues like infrastructure, cost, battery disposals etc. we do not expect it to grow as significant as it can affect the ethanol demand substantially in short to medium term.

Moderator: Ms. Anju, Kindly go ahead to ask your question please. You may also switch on your video if you want to do.

Speaker 2: Hi this is Anju main Jana chahta Hoon company dividend policies kya hai kya hum higher dividend expect kar sakte Hain kyonki balance sheets Kafi comfortable dekh rahi hai Ji.

(Translation: What is the dividend policy of the company? Can we expect higher dividends in next year considering very comfortable balance sheet numbers?)

Mr. Rastogi: Good morning Anju. Apki company ki dividend policy hai Jo hamara profit after tax hai uska lagbhag das se bees percent as dividend Diya jaye aapko AAP ye bhi jaante honge hamari company growth path par hai Isliye hum ko thoda sa is growth ko finance karne ke liye cash bhi conserve karna padta hai isliye hum jab dividend declare karte hai to Ek view leke Jo growth or shareholder return ke wo Ek view leke hum apna dividend declare karte Hain. So next year also next year maybe hum Jo ye call lenge dividend Ki ye saari chijen consider karne ke baad ye call le jayegi. Thank you. Thank you, Sir.

Moderator: Now I request Mr Uthirabathi to kindly ask your question. Now you are unmuted. You may also switch on your video. Mr Uthirabathi, kindly go ahead to ask you a question.

Speaker 4: Yes, Sir. Good morning, Sir. Yeah, good morning. This is Uthirabathi from Ariyalur. So what are the efforts of the company to optimize the varietal makes especially considering the Red Rot impact in UP and how significantly it has impacted us in the past.

Mr. Rastogi: Okay, yeah Mr Uthirabathi, Cane is the backbone of the business model and your company is very proactive in ensuring the health of the cane on fields. Co 0238 variety in UP (which was almost 90% of the total weight 3 years back) is prone to Red Rot disease. We kept on reviewing its performance and took immediate calls to promote other best varieties and reduced its weightage to 65% in SS 22-23. We have plans to reduce it further down to 50% in next 2 years. In the ensuing season, there is not much of

the impact on your company as the next best varieties are also equally good in terms of yield as well as recovery

Moderator: Thank you. No, I request to next speak the shoulder. Mr Milan Saini, you are unmuted now kindly ask you question. You may also switch on your video. Mr Milan, kindly go ahead view.

Speaker 5: My question is what are the major CSR project undertaken by the company?

Mr. Rastogi: Yeah, Good morning, Milan. The Company's CSR expenditure is basically towards creating sustainable livelihood through *inter-alia* water harvesting, regenerative soil health, sustainable sugarcane farming and income generating activities and improving social infrastructure through *inter-alia* digital literacy.

Moderator: I request to our next speaker shoulder Mr Kalyan. Mr Kalyan, you are not unmuted. Kindly go ahead to ask your question. Please reply. Mr Kalyan. Kindly accept the prompt. Kindly go ahead, Sir.

Speaker 6: Respected Sir, can you hear me. My name is Kalyanaraman. I am from Thanjavur district of Tamil Nadu. Why question is for the CFO of the company. From the figures probably, profitability of the company has come down despite higher turnover. Please enlighten me the reason for declining the profit of the company.

Mr. Kataria: Yeah. Good morning, Kalyan. You know EBIDTA for the financial year 22-23 is higher than the previous year by ~5% due to augmentation of grain distillery during the financial year and maintained the EBIDTA margin to ~ 15% of turnover. However, PAT for FY 23 is lower than FY 22 due to one-time deferred tax reversals and impairment reversal gains during FY 22.

Moderator: Now I request Mr M. Kohilan to ask you a question. Sir, you are not unmuted. Kindly go ahead to ask you a question. Mr Kohilan, kindly accept the prompt.

Speaker 7: Hello Sir, Audible Sir. Yes, please go-ahead Sir. Sir, Good morning Sir. I am calling from Tamil Nadu. My question is we see and appreciate that the company has received various awards during 20 to 23. So, do we expect more awards during 23 and 24 stock?

Mr. Rastogi: Good morning, Mr Kohilan, thank you. Thank you for your comment and certainly next year also you know when we, when we have another easy, we are sure that you know we will be able to show various awards to all our stakeholders. You know this year also just to inform you have seen in the presentation also that our Ramgarh unit in this was number one in UP and our Kolhapur and Ninaidevi units were number one and 2 position in Maharashtra and India in terms of sugar content in the case. So, it's right at top there okay. So, looking at other operating performance & looking at other things, we will definitely get a lot of awards this year also. Thank you. Thank you, Sir.

Moderator: Now I request Miss Shalini. Shalini, you are not unmuted. Kindly go ahead to ask your question, please. Yeah, Yeah. Yeah. Hi, Sir. Good morning all

Speaker 8: Sir. actually, mere paas koi question to nahin hai but haan main congratulate karna chahti Hoon bhagwan kare aise he company balance bana ke chale and jaise grow kar rahi hai vaise he grow kare. Main congratulate Karti Hoon company ko. Good wishes to you and the company for future endeavours.

(Translation: I don't have a question rather I wanted to convey that we are very happy with the consistent growth of the business and consequent stakeholders' value. The Company has a balanced approach towards capital expansion while ensuring that it is not overleveraged resulting into increasing the company strength. We would like to congratulate you for the same and wish you all the best for your efforts)

Mr. Rastogi: Thank you so much Shalini.

Chairman: Thank you, Mr Rastogi and Mr Kataria. Thank you all. The items of business as per the notice of the 71st Annual General Meeting have been taken up and I now declare the proceedings of the AGM as completed. And as mentioned earlier, the E voting facility will continue to be available for 15 minutes after the meeting. I request an authorize the company secretary to declare the results of the voting upon receipts of the upon receipt of the Scrutinizers report by placing the same on the website and notice for the company and filing the same with the stock exchanges at the earliest and not later than 12th of August 2023. On behalf of the Board of Directors and Management of Dalmia Sugar convey my sincere thanks to all the members for attending and participating in this meeting. Stay healthy and safe.

CS: Thank you I shall do the needful, Sir. Thank you all for attending the meeting. And I hereby give a vote of thanks to the Chair and on behalf of Dalmia Bharat Sugar and Industries Limited. And on my own behalf, thank you to the Chairman, the Board of Directors, auditors, scrutinizers and the valuable members of the Company for making this E-AGM a success and extending a full support. Thank you once again.