

## DALMIA\_BHARAT\_SUGAR\_AND\_INDUSTRIES-Transcript

**Ms. Aashhima V Khanna:** Good morning, everyone. A very good morning to the members, Board of Directors, Management Personnel, Auditor's and Scrutinizers. I, Aashhima V Khanna, Company Secretary of Dalmia Bharat Sugar Industries, welcome you all to the 69<sup>th</sup> Annual General Meeting of Dalmia Bharat Sugar Industries Limited. We are still waiting for the quorum. So, we will have to wait for another five minutes for the quorum to complete and then we can start the formal proceedings of the meeting.

**Ms. Aashhima V Khanna:** A very good morning to everyone. I, Aashhima V Khanna, Company Secretary of Dalmia Bharat Sugar Industries Limited, welcome you all to the 69<sup>th</sup> Annual General Meeting of the Company being held through video conferencing, facilitated by KFin Technologies Private Limited, the Registrar and share transfer agent of the Company. I hope you all and your loved ones are safe and healthy during these times. And I also hope that you all are vaccinated and if not, I urge you all to please be vaccinated so that we can come out of this pandemic strongly and return back to our normal lives. This meeting is being held through video conferencing because of the prevailing COVID pandemic and it is in compliance with the circulars issued by Ministry of Corporate affairs, Government of India and Securities and Exchange Board of India. The members attending this e-AGM through video conferencing are counted for the purpose of reckoning the quorum. We have the requisite quorum present to conduct the proceedings of this meeting. Mr. Rajeev Bakshi, the Chairman of the Board of Directors being present, shall chair this meeting. Mr. Bakshi is an Independent Director on the Board of the Company and he's also the Chairman of the Risk Management Committee and a member of the Nomination and Remuneration Committee. Mr. Bakshi is an economics graduate from St. Stephen's College, Delhi University, and an MBA from Indian Institute of Management Bangalore. He has more than, experience of 40 years across food and FMCG businesses. He joined the Board of Directors of the Company in February 2021. May I now please request the Chairman to please take the chair.

**Mr. Rajeev Bakshi:** Good morning to my fellow members of the Board of Dalmia Bharat Sugar and Industries Limited, the Management team, Auditors, Scrutinizer and all the members. I hope all of you are safe and in good health. At this stage, I would like to thank the Government of India to permit the conduct of this Annual General Meeting through video conferencing during the COVID pandemic. And I would also like to thank all the members for their support to make it happen successfully. The Company has taken all feasible steps to enable members to participate through video conference and vote in the Annual General Meeting. I now call the 69<sup>th</sup> Annual General Meeting of Dalmia Bharat Sugar to order. However, before we start with the formal proceedings of the meeting, I would request the Company Secretary to first introduce the members of the Board of Directors of the Company, attending this AGM. Over to the Company Secretary please.

**Ms. Aashhima V Khanna:** Thank you, sir. All the...all the board members and management personnel for safety reasons are attending this meeting through videoconferencing from different locations. I would first like to introduce Ms. Amita Mishra. Ms. Amita Mishra is an Independent Director on the Board and

the Chairperson of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. She is attending the meeting from Noida.

Next, I would like to introduce Mr. P Kannan. He's an Independent Director on the Board and the Chairman of the Stakeholders Relationship Committee. He's attending the meeting from Chennai.

Next is Mr. Gautam Dalmia. Mr. Gautam Dalmia, the manager, the Managing Director of the Company needs no introduction. Being the industry expert and having hands on experience of leading the company at the highest level, he is attending the meeting from New Delhi.

Next is Mr. Bharat Bhushan Mehta. He is the Whole Time Director and CEO of the Company. A visionary with strategic goal, a leader and a role model. He is attending the meeting from Gurugram.

**Mr. Bharat Bhushan Mehta:** Good morning, everyone and welcome to the AGM.

**Ms. Aashima V Khanna:** Thank you, sir. Now I would like to invite the chairman to please address the members.

**Mr. Rajeev Bakshi:** Ladies and gentlemen, shareholders and colleagues. I feel great pleasure in welcoming...welcoming you to the 69<sup>th</sup> Annual General Meeting of Dalmia Bharat Sugar and Industries Limited. With immense pleasure, I would like to inform you that your Company has posted its highest ever revenue, profit after tax, EBITDA and exports in the financial year 2021. The fact that we achieved such a feat on a year that saw COVID induced lockdowns across the world validates my belief that your Company is moving in the right direction. In FY 21 in financial year 2021, the country and the world faced an unprecedented setback in the form of COVID 19 pandemic, with nations across the globe, enforcing lockdowns, which halted industrial production for months. During the lockdown period, the Indian GDP contracted by 23.9% in the first quarter of financial year 2021. However, there was a strong rebound in the second half of the year due to the vaccination rollout and pent-up demand. In April 2020, your Company launched, during the pandemic it's sanitizer Dalmia Sanjeevani and sold over 25 lakh litres of the product generating an EBITDA of around Rs. 8 crores during FY 2021. During this very difficult time, your Company stood in solidarity with its fellow citizens, helping them in whatever way it could. We distributed sanitizers worth Rs.50 lakhs to hospitals, farmers and various other organizations. Besides two oxygen plants in Uttar Pradesh with an outlay of Rs. 1 crore, your company made a donation of Rs. 1.6 crores to the center and state funds as well as to other organizations. We also work towards creating awareness about the virus among farmers and villagers around the plant locations. To ensure the safety of our workers and employees, your Company enforced very strict COVID protocols in its factories and offices. We also established isolation and treatment facilities only for mild cases at manufacturing locations. We ensured vaccination for all our executives, and by now 31% have been fully vaccinated, while 66% have been administered the first dose. When the Government permitted us to operate during the lockdown, we were faced with the twin responsibility of ensuring operational safety while sustaining business continuity at the same time. Therefore, we continued to manufacture while our offices were shut down. The Company turned to digital means for daily communication. We sanitized our plants daily and strictly followed COVID SOPs at all times. The Indian GDP contracted by 7.3% in financial year 2021 owing to the pandemic. In financial year 2021, your Company's revenues increased from Rs. 2172 crores

in FY 2020 to Rs. 2739 crores in FY 2021. Our debt-to-equity ratio has drastically reduced from 0.32 in FY 2020 to 0.13 in FY 2021, leading to a significant reduction in long term loans because of our aggressive debt repayment during the year under review. Sugar production in India increased from 26.79 million in FY 2020 to 30.8 million ton which was a 13% year on year growth. The Government allocated Rs. 3500 crores to bring down the domestic sugar surplus and help indebted sugar mills clear their dues to cane farmers through exports and also other means. The Government has also rolled out interest subvention schemes for molasses and grain-based distilleries to facilitate increased production of high-quality ethanol. 422 new projects have already been allocated new funds under this particular scheme. Moreover, in our sugar business, we commissioned a 1200 TPD refinery in the Nigohi plant to manufacture refined...refined sugar, which is being branded as a Dalmia Utsav and is also being packaged in one kg, two kg and five kg packs and also a five grammes sachet. And this is being marketed by your Company. As part of its strategy to further expand offerings in the B2C segment, last week itself, your Company has launched pure healthy and un...unadulterated honey, under the brand name Dalmia Utsav.

This, while ensuring quality and traceability. Dalmia honey will be now, be available in three stock keeping units of 1 kilo, 500 grams and 250 grams. This is the Company's second retail offering after it launched packaged sugar under the brand name in March of 2020. Your Company is making a conscious shift...shift from sugar to ethanol production. We plan to divert 1.5 lakh metric ton of sugar into ethanol production. We have made a Rs. 250 crore investment to enhance the distillery capacity in Uttar Pradesh and Maharashtra units, whereas surplus molasses will be converted into ethanol. This will lead to ethanol accounting for 30% of our overall revenues and boosting our profitability. The shift from sugar to ethanol will result in better working capital management, since the latter has a much shorter receivable cycle, and this will strengthen the company's liquidity. Your Company plans to convert its distilleries into a business segment in a big way. The Company is increasing its distillation capacities to produce more B heavy ethanol, producing it directly from juice. We are optimistic about the realizations derived from these. Your Company sources its entire power from generating bigger, bagasse internally. We exported nearly 60% of the power generated to the grid. Your Company will continue enhancing value for all its stakeholders who are making sustained efforts towards optimal utilization of resources by boosting cane availability, moderating costs, broadening portfolio, enhancing quality and strengthening the balance sheet. I would like to thank Board Members for the unfailing support and encouragement. And I'm deeply grateful to the entire Dalmia Bharat Sugar family for the part they played in the Company's growth and progress in the year gone by. I would like to thank our shareholders, investors and vendors for the place or for the faith they placed on me. Thanking you very much.

I would now like to invite Mr. Anil Kataria, the Chief Financial Officer of the Company to please give a brief presentation of the key financial highlights of the year 2021. Over to Mr. Anil Kataria, please.

**Mr. Anil Kataria:** Thank you, sir. Replace the presentation please. Yeah, I'll...I'll now take you through to the...to the financial, key financial highlights for this year. Next. Pleased to state that your Company has recorded excellent results with lifetime high market capitalization in unprecedented...unprecedented times of a tough COVID year. There were many milestones received both on the financial parameters as well as operating parameters. In the financial parameters, the Company recorded the highest ever revenue at Rs. 2739 crores. Highest ever EBITDA at Rs. 525 crores. Highest ever PBT at 367 crores and

highest ever PAT at Rs. 270 crores with a consequent highest ever EPS at Rs. 33.30 per share. In respect of operating parameters, several milestones. In respect of highest ever sugar sales at 6.18 lakh metric ton including highest ever export at 1.65 lakh metric ton. Highest ever distillery production at 8.43 crore litres. Highest ever distillery sales at 8.6 crore litres and the highest ever crush at Maharashtra units at 14.83 lakh metric ton and a normative sugar recovery from Ramgarh unit was highest at 12.25%. Next. In respect of project and other updates we had launched sanitizer under the brand name Dalmia Sanjeevani in April 20 and sold around 25 lakh litres during the year with EBITDA of Rs. 8 crores. Branded sugar launched successfully in March 21 and the product has been very well received by the market. Nigohi distillery expansion completed during the quarter and it is operational at expanded capacity. Ethanol from syrup will be produced from the next season start and the sugar refineries installed at Nigohi unit. Increase in sugar diversion to ethanol from 40,000 metric ton in sugar season 2019-2020 to 60,000 metric ton in sugar season 2020-2021. The balance sheet is further getting stronger with the repayment of long-term loans amounting to Rs. 245 crores including prepayment of Rs. 145 crores resulting in long term debt reduction from Rs. 521 crores to Rs. 276 crores. Out of this Rs. 212 crores is at subsidized interest rate of average of only 4%. For the current season working capital finance was at 4 to 4.5% interest cost and long-term debt to equity is very healthy at 0.13 and long-term debt to EBITDA is also very healthy at 0.53. Current ratio again is very healthy at 1.56. Now the financial numbers. The key financial highlights. Total revenue up from last year of 2172 crores to 2739 crores with 26% increase. EBITDA up from Rs. 398 crores to Rs. 525 crores, with an increase of 32%. PBT up from Rs. 250 crores to Rs. 367 crores, increase of 46%. And PAT up from Rs. 198 crores to Rs. 270 crores, with 36% increase. And EPS up from Rs. 24.46 to Rs. 33.3 with 36% increase. Now the segment wise EBITDA. Sugar up from Rs.161 crores to Rs. 211 crores, with 31% increase. Cogen Rs. 116 crores to Rs. 125 crores,8% increase. Distillery up from Rs. 117 crores to Rs.176 crores, which is 51% and the distillery segment will continue to be the major growth drive in the years to come. Sanitizer from last year NIL because this was started this year, to Rs. 18 crores and others negative six as against three. So, total Rs. 525 crores as against Rs. 398 crores. Now the financial ratios are very healthy. Current ratio is 1.56 as against 1.5. Debt equity 0.13 as against 0.32. FACR is 3.11 as against 1.69. Long term loan to EBITDA is 0.53 as against 1.31. And PBT margin up from 12% to 13%. Now we'll come over to the ethanol blending program and the expansion projects. So, ethanol blending program has been a game changer for the industry. And you will see that the ethanol blending which was hovering at around 5% in 2018-2019, 2019-2020 has gone up to 8%. And this is going to go up to 10 then 12 and 15 and in 2024-2025 to 20%. Next.

And this is going to be the likely scenario with the ethanol blending program to manage the surplus situation. Total sugar in the system, we kept state...static at 320. Self-consumption at 260. The surplus of 60 is going to be addressed in 2021. The exports at 68 lakh metric ton and diversion to ethanol at 20 lakhs, which...which would result in reduction of inventory. 2021-2022 exports of 60 and diversion to ethanol at 30 which would further reduce the inventory. And 2022-2023 exports of 30 and diversion to ethanol 40. And 2023-2024 exports of 10 and diversion to ethanol at 50. And 2024-2025 exports at nil and diversion to ethanol 60. So, exports will continue to decrease and the diversion to ethanol will continue to rise which would take care of the surplus scenario in the years to come. Now this is a DBSIL expansion plan. The DBSIL expansion plan existing capacity of milling 31,300 and the boiling house 31,300. And the B heavy distillery capacities at 277. The post expansion, the milling capacity is going to go up from 31,300 to 36,350. And the boiling house capacity with a moderate increase to 32,950. And the entire major part of that is going to put for distillery conversion, which is going to go up from 277 in

the heavy KL to 560 KL, to 500 KL B heavy. So major increase is going to go from into the distillery segment. We are virtually increasing our distillery capacity from 8 crore to 15 crore in...in the post expansion period. And further, the Board has also approved two, 100 KLPD grain-based distilleries in the last meeting, which is over and above the capacities in the table above. Next. So, this is the DBSIL scale of operations. Scale of operations cane crush which is going to go up from 48.45 lakh metric ton to 57.3 lakh metric ton. And the sugar in the system is going to go up from 5.96 lakh to 7.03. But with the constant, with the diversion...with a much higher diversion from 0.42 crores to 1.58, 5.58 lakh metric ton. The net sugar in the system is going to be more or less same. At 5.54 lakh metric ton to 5.46 lakh metric ton. And the distillery crude litres will go up from 8.33 crore to 15.40 crores. And the grain based further is going to add 6 crore litres of ethanol. This is over and above the overall, total then after this grain-based, if you set up the two grain-based distillery the total expected production will go up to 21 crore litres. Then we come on to sugar industry outlook. Sugar industry is well poised to benefit both from global and domestic factors. There's a tight global demand supply situation, favourable government policies and the push for higher ethanol blending in India will keep the inventory under control. In sugar season 2021 sugar inventory is lower at 8.4 million...million metric ton has against 10.7 million metric ton. But sugar season 2020 mainly due to export and to further go down in...ensuing sugar season to 6.6 million metric ton. Mainly on account of higher divert...diversion of sugar to ethanol. Then the regulatory updates SAP for UP was announced with no change from the last year level and DFPD further approved a loan of Rs. 14,000 crores for distillery expansion, including the grain-based distilleries. And the measures under consideration by Government of India is increase in MSP. From existing MSP is Rs.31 and the rationalization of cane price and creation of Price Stabilization Fund. So, this is still under consideration. On the global scenario. The global scenario is now fairly good with the last two years of deficit, you know, the production was 171 million metric ton and the consumption is 174 million metric ton. And the deficit of 4 million metric ton. So, and the stock also is lower at 94 million metric ton. So, the that is why the raw sugar prices has considerably increased to 20 cents and that will be reflected in the next slide also. So, this is the raw sugar prices with the improved fundamentals in the global scenario. The raw sugar prices have gone up from 12,13 to 20 cents. Next. Now, we come to the Indian scenario. Indian scenario the fundamentals are...are even better because if you see the closing stock as on 30<sup>th</sup> September 2021, is 84 lakh metric ton and projected it is at 66. So, you know this is over the last five years it is...it is one of the lowest. It is...it is one of the lowest in the, you know, last five years. So, that improved...improved fundamentals would...would go, you know, it has already resulted in increase...increase in the sugar prices in the domestic scenario also. And so, this is, this, this...these augurs very well for...for the future, for the future of the industry. Next.

So, this is the sugar stocks which I spoke. It is going to go down to 66 lakh metric ton which is the lowest in the five years. And we believe that the sugar industry is at the cusp of a paradigm shift to...to become a strong and strong, clean and clean energy contributor instead of being a pure cyclical play and this augurs very well for the industry as well as for your Company. Thank you so much.

**Rajeev Bakshi:** Thank you Mr. Kataria. I now request Ms. Ashima Khanna, Company Secretary, to conduct the further proceedings of this Annual General Meeting.

**Ms. Aashhima V Khanna:** Thank you, sir. Dear members, please be informed that the e-voting facility on the resolution 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 e-voting which was opened during September 18<sup>th</sup> to September 20<sup>th</sup> could please use the e-voting facility and complete their voting's. Members may click on the vote tab on their screen to avail the e-voting facility. Mr. Harish Khurana practicing Company Secretary has been appointed by the Board of Directors as the Scrutinizer to ensure that the e-voting process is conducted in a fair and transparent manner and to scrutinize the votes cast by members through remote e-voting and through e-voting during the meeting. All the documents and register referred to under the notice of the Annual General Meeting and required under the Companies Act, that is, Register of Directors, KMP and their shareholding, Register of Inspection by the members. As the AGM is being conducted 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 the formal proceedings of the meeting. The moderator will facilitate the session once the Chairman opens the floor for question and answer. It may also please be noted that the Company reserves the right to limit the number of questions depending upon the availability of time. Members are requested to refer to the instructions provided in the notice or appearing in that, on the video conference page for a seamless participation through video conference. In case members face any difficulty, they may please reach out on the helpline numbers. As the notice of this AGM has already been circulated to the members, with the permission of the chair we would like to take the same as read.

**Mr. Rajeev Bakshi:** Yes, please.

**Ms. Aashhima V Khanna:** Thank you, sir. With the permission of the chair, we will now take up the items as set forth in the notice of the AGM.

**Mr. Rajeev Bakshi:** Yes, please.

**Ms. Aashhima V Khanna:** Item number one, is to consider and adopt the Audited Standalone and Consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2021 and the reports of the Auditors and Directors thereon. The financial statement and the reports of the Auditors and that, Directors have already been circulated to all the members. There is no qualification/reservation or adverse remarks in the report submitted by NSBP & Co. Statutory Auditors of the company. The notes on the financial statement referred to in the auditor's report are self-explanatory and they do not call for any comments and explanation. The Auditors have not reported any matter under Section 143-12 of the Companies Act. Also, there is no qualification/reservation or adverse remarks in the Secretarial Audit Report submitted by Harish Rana and Associates, the Secretarial Auditor of the Company. Item number two is to consider and declare a dividend of Rs. 3 per equity share of Rs. 2 for the financial year 2020-2021. Item number three is to appoint a Director in place of Shri Gautam Dalmia who retires by rotation and being eligible offers himself for reappointment. Item number four is to consider and approve the remuneration of NSBP & Co. the Statutory Auditors of the Company for the financial year 2021. Now is the special business. Next is to consider and ratify the remuneration of M/s. R. J. Goel & Associates, Cost Accountants, the Cost Auditors of the Company for the financial year 2021 by an ordinary resolution. Item number six is to consider and appoint Mr. Rajiv Bakshi, as an Independent Director for a period of five years with effect from February 5<sup>th</sup>, 2021, by an ordinary resolution. Next is to consider and reappoint Shri Gautam Dalmia, as the Managing Director of the Company for a period of five years with effect from January 16<sup>th</sup>, 2022, by a special resolution. Next item is to consider and reappoint Shri Bharat Bhushan

Mehta, as the Whole Time Director and CEO of the Company for a period of five years with effect from 1st April 22, by special resolution. Item number nine is to consider and reappoint Shri Raghu Hari Dalmia as an advisor to the Company for a period of three years with effect from 1<sup>st</sup> May 2022, by an ordinary resolution. Item number 10 is to consider and approve the alteration in the object clause of the Memorandum of Association of the Company by a special resolution. The last is to consider and approve the alteration in the Articles of Association of the Company by a special resolution. There is no other business to transact. Thank you.

**Mr. Rajeev Bakshi:** Thank you, Ashima. And 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 their questions brief and very specific. I also request Mr. Pankaj Rastogi, the Chief Executive Officer of the sugar business and Mr. Deepak Kumar, the Chief Executive Officer of the consumer business of the company to please respond to the queries.

**Mr. Pankaj Rastogi:** Okay, thank you Chairman, sir.

**Moderator:** Thank you, Chairman sir. I would now request Mr. M.S. Gopalakrishnan to kindly unmute himself and proceed with asking the question.

**M.S. Gopalakrishnan:** Hello, my name is Gopalakrishnan. I am attending the AGM from Chennai. I am a shareholder of the Company for about 3 years now. During the financial year 2020-2021, the Company decided to make its large investment of about Rs. 495 crores in capital expenditure to enhance its distillery capacity in a big way. How would you like to explain this? Thank you.

**Moderator:** Our next speaker is Mr. Ganesan.

**Ganesan:** I am Ganesan. My question is that of a sugar expert scenario under whether exports without government subsidy would be sustainable in medium to long term.

**R. Karthikeyan:** Good morning, my name is R. Karthikeyan. I am shareholder of the company for seven years. This year, the Maharashtra units have reported increased production as well as increased recovery as compared to the previous years. What steps the company has taken now to really achieve this?

**M. R. Raja Ranjith Singh:** Hi, I'm M. R. Raja. I hold 50 shares of the company.

**Moderator:** Next speaker is Mr. M. R. Raja Ranjith Singh.

**M. R. Raja Ranjith Singh:** Hi, I'm M. R. Raja. I hold 50 of the company. My question is last year, the Maharashtra units were number one and two in terms of recovering, during the last financial year. Do we echo the same this year also?

**Moderator:** Our next speaker is Mr. Ramesh Babu.

**Mr. Ramesh Babu:** Myself, Ramesh Babu from Tamil Nadu. What are the steps taken by the company for promoting the well-being of the employees, generally and also specifically during the COVID times?

**Moderator:** Our next speaker is Mr. R. Gururajan.

**Mr. R. Gururajan:** [inaudible] for the medium- to long-term future prospects of the sugar industry in general. Thank you.

**Moderator:** Our next speaker is Mr. M. Desingu. My apologies if I have pronounced or mispronounced the name wrongly, Mr. M. Desingu.

**Mr. M. Desingu:** Good morning, sir. I am Desingu. My question...good morning, sir. I am Desingu. My question is that it is seen that the debt-equity ratio of the company has really improved from 0.32 during the financial year 2019-2020 to 0.13 during 2020-2021. What would you like to say about this and do we expect further improvement in coming years?

**Moderator:** Next speaker is Mr. G. Kamachi from Chennai. Mr. G. Kamachi request you to kindly unmute yourself and proceed with asking your question please. Mr. G. Kamachi from Chennai. We have not received any input from Mr. G. Kamachi. We would move on to our last speaker of the day, Mr. Abhishek Jain from Chennai. Mr. Abhishek Jain, request you to kindly unmute yourself, switch on the camera and proceed with asking the question, please. Chairman Sir, we have not received any input from our last speaker. With this, I hand it back to the Board to continue with the rest of the session. Thank you.

**Mr. Pankaj Rastogi:** Good morning to all the members for their questions. Yeah, whatever, can I proceed with the answers now? Yes,

**Moderator:** Yes, sir you may please, sir.

**Mr. Pankaj Rastogi:** Yes. So, first I'll...I'll take up the answers in the same sequence in which they were asked. So first, Mr. Gopalakrishnan. Very Good morning, Mr. Balakrishnan. Your question was related to the company's investment in distillery. From the chairman speech and from the presentation you would have seen that Government of India is placing a lot of trust on the ethanol breeding program. And it is to capitalize on this opportunity that your company has decided to invest in the distilleries taking its capacity from 8 crore to 15 crore litres, after the expansion. These projects, all these projects are under implementation right now. And they are likely to be commissioned in the last quarter of this financial year. This is something which will result in significant value addition from the distillery segment. Currently, you'd have distillery EBIDTA is about 33%. In going forward once these capacities are commissioned this will go up further. That's...that's for Mr. Gopalakrishnan.

The second question was from Mr. Ganesan related to exports. Mr. Ganesan due to tight global demand supply situation, currently, international sugar prices have been, you know, they've been rising up significantly. This was...this has resulted into a very remunerative export market. Currently export survival even without any subsidy from the Government of India. The domestic prices have also risen along with, you know, improved domestic fundamentals and international prices. In the long run, we expect that



exports will reduce, and the sugar diversion will take place towards ethanol to take care of structural surpluses in the system. That's for question number two. After that, Mr. Karthikeyan. The, that was the third question. Mr. Karthikeyan's question was related to, I think Maharashtra unit. So, Mr. Karthikeyan our units in Maharashtra are located in a high recovery zone. But, you know, even within that zone we are the outperformers. We had the best recoveries. This is due to a robust cane development program. The timely cane payments, the regular interaction with the farmers resulting in improvement of cane yields and recovery. This is something which has helped us to, you know, record continuously high production and a high recovery consistently.

The fourth question was from Mr. Raja. I think related to your previous question. Mr. Raja was asking that, you know, our Maharashtra units were one and two terms of recovery. We expect similar kind of recoveries. Mr. Raja this gives us you know, this gives your company extreme pleasure, immense pleasure that both of our units were number one and number two, in Maharashtra and by corollary in the, you know, in the entire country. And considering our cane recoveries, we are confident that we will continue to outperform in future also. Although this year Maharashtra's cane has got slightly affected by heavy rains this year, in the districts that we are in, but we...but in the recovery, there's some recovery which has already taken place. And we expect similar kind of numbers this year also in terms of both cane crush and recovery. Thank you.

Then the question from Mr. Ramesh Babu. This was related to the well-being of the employees during COVID times. During COVID Mr. Ramesh Babu, during COVID times the Company has not only given superb financial results, which you would have seen from the presentation. But has also set the example to lead and nurture its employees. During this period company has opened COVID care centres at each plant, imparted immediate medical help and all to its employees. You know, ensured vaccination of nearly all their employees. Facilitated work from home culture and ensured sustained adherence to COVID guidelines. Appropriate behaviour not only for its employees, but also spread awareness among farmers and villages around plant location. You know the outcome of these measures has been that there have been no disruptions to the company's operations. Then, I think the next question was Mr. Gururajan, related to you know, the highest ever turnover and profits. Highest ever turnover and profits.

Mr. Gururajan sugar industry currently is, you know, well placed to benefit both from global and domestic factors. As we...as we've seen, during the course of this meeting. There is a tight global demand supply situation. There are favourable government policies, there is push for higher ethanol blending. All this will keep you know, our inventories under control. The National Biofuel Policy and the Ethanol Blending Program announced by the Government have been a game changer for the industry, as the structural surplus scenario in the industry has been taken care of by diversion of sugar to ethanol. You know, this has resulted in optimal inventory balance scenario for your Company. You know, I think in light of the above, the medium to long term outlook of the industry as well as your company is very promising. Then the question was from Mr. Desingu, which was related to debt equity ratio of the Company. Mr. Desingu, it has been our endeavour that our aggressive growth path strategy is funded largely by internal approvals. You know, our debt performances are largely under Interests Subvention Schemes of Government of India. We have also prepared significant long term, prepaid significant long-term loans in the year, in which has resulted in healthy debt equity ratios. We will continue to maintain this strategy in future also. With large capex investments, with large capex investment debts will go up slightly. But, you

know, again by enhanced internal accruals we will be able to and these...these debts would largely be under interest subvention schemes. No, but with internal approvals, we will maintain our minimal debt in the future also. Thank you.

**Mr. Rajeev Bakshi:** All the questions are done. So, thank you Mr. Rastogi and Mr. Deepak Kumar. So, all the items as for the notice of the 69<sup>th</sup> Annual General Meeting have been taken up. I now declare the proceedings of the Annual General Meeting as completed. As mentioned earlier, the e-voting facility will continue to be available for 15 minutes after the meeting. I request and authorize the Company Secretary to declare the results of the voting upon receipt of the scrutinizers report, by placing the same on the website and notice board of the company and filing with the stock exchanges at the earliest and not later than the 23<sup>rd</sup> of September 2021. On behalf of our Board of Directors and management of Dalmia Sugar, I convey sincere thanks to all the members who are attending and participating in the meeting. Stay healthy and safe, and please get vaccinated. Take care, stay safe, and thank you very much.

**Ms. Aashima V Khanna:** Thank you, sir. I shall do the needful. Thank you all for attending the meeting. I hereby give a vote of thanks to the chair and on behalf of Dalmia Bharat Sugar and Industries and on my own behalf, thank you to the Chairman, the Board of Directors, Auditor's, Scrutinizer and our valuable members of the Company for making this e-AGM a success and extending your full support. Thank you once again.

**Mr. Rajeev Bakshi:** Thank you, everybody.