

TRANSCRIPT OF THE PROCEEDINGS OF THE 48th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, AUGUST 9, 2023 AT 03:30 P.M. THROUGH VIDEO CONFERENCING

Mr. M.M. Venkatachalam, Chairman

Good Afternoon, Ladies and Gentlemen. It is 03.30 pm and the time to start the meeting.

I have great pleasure in welcoming you all to the 48th Annual General Meeting of the Company convened through a Video Conference.

I trust all of you are safe and in good health. In compliance and in accordance with the directions of the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), we are holding this AGM through Video Conference.

Further, as per the relevant circulars issued by the MCA and SEBI, the company has dispensed with requirement of sending physical copies of the annual report to shareholders. The Annual Reports have been sent by electronic means to all those shareholders whose email id's were registered with the Company/Depositories. Physical copies of the annual report were sent to shareholders, who have requested for a physical copy.

The facility for joining this meeting through Video Conference (VC) /Other Audio Visual Means (OAVM) is made available to the members of the Company on first come first serve basis.

All the members who have joined this meeting are by default placed on mute by the host to avoid any disturbance arising from background noise and to ensure smooth and seamless conduct of the meeting.

Based on registrations received from members for E-meeting, requisite quorum for this meeting is present and I call the meeting to order.

As this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members is not available and hence the inspection of the Register of Proxy is not applicable.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts in which the Directors are interested and other documents required for inspection of the members under the Companies Act, 2013 are electronically available for inspection. Members who intend to inspect may write to investorservices@parry.murugappa.com.

As required under the relevant SEBI Regulations on ESOP Scheme, the Certificate obtained from the Secretarial Auditors of the Company confirming that the Company's ESOP Scheme have been implemented in accordance with the said SEBI Regulations and in accordance with the resolutions passed by the Shareholders, is also electronically available for inspection.

It is my pleasure to introduce my senior colleagues here

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| Starting from my Extreme Left | - Mr. A.Sridhar, Chief Financial Officer |
| | Mr. Muthiah Murugappan, Whole-Time Director |
| | & CEO |
| To my Right | - Mr. Biswa Mohan Rath, Company Secretary |
| To my extreme Right | - Mr. S. Suresh, Managing Director |

I also have the privilege in introducing the distinguished board members who are joining this meeting through Video Conference–

1. Mr. S. Durgashankar, Independent Director, Chairman - Audit Committee joining from Chennai
2. Mr. Ajay B Baliga, Independent Director, Chairman - Nomination & Remuneration Committee joining from Pune
3. Dr. Rca Godbole, Independent Director joining from Mumbai
4. Mr. T. Krishnakumar, Independent Director, joining from Chennai
5. Ms. Meghna Apparao, Independent Director joining from Chennai
6. Mr. Ramesh K B Menon, Director joining from Chennai and
7. Mr. Sridharan Rangarajan, Director joining from Chennai

I would like to inform you that apart from the Directors, Mr. Baskar Pannerselvam, Partner, M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors and Mr. R. Sridharan, Partner, M/s. R. Sridharan & Associates, Secretarial Auditors are attending the Meeting through a Video Conference from Chennai.

Ladies and Gentlemen, the notice dated May 30th, 2023 convening this Annual General Meeting along with the copy of the Annual Report for the financial year ended 31st March 2023 has already been circulated electronically to the members of the Company and with your permission, I shall take the same as read. The Auditors report on the financial statements of the Company for the year ended 31st March 2023 does not contain any qualifications, reservations or adverse remarks. Accordingly, the Auditors report is not required to be read out before this meeting as provided under the Companies Act 2013.

Now, I would like to give a brief overview of the Company's operations and the industries that we are operating.

Good afternoon, Ladies and Gentlemen,

Once again, a warm welcome to each of you for the 48th Annual General Meeting of your company.

It is a privilege to host you today and connect with you all through this Video Conference or other Audio-visual means. The Directors' Report and the Audited Accounts for the Financial Year ended March 31, 2023, have been with you for some days and, with your consent, I shall take them as read. Before I take you through the company operations and latest developments, let me briefly touch upon the current trends in the economy and the industry in which your Company is operating.

Economy

The International Monetary Fund (IMF) in its World Economic Outlook predicts the global outlook as uncertain amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID. The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. Geopolitical tensions, conflicts and social unrests and natural disasters stemming from climate change also present downside risks in varying degrees. The world economy seems to be in stormy seas.

Against this challenging backdrop, India, appears to be a silver lining. The World Economic Forum had referred to India as a "bright spot in a fragile world". Emerging steadily from the shadows of being a 'poor nation', The Indian economy was the fastest growing economy in the last decade, we are now the world's fifth biggest economy.

India's GDP is expected to grow faster than 6% in each of the next three years, compared to the U.S., which is expected to grow less than 2%. Goldman Sachs has predicted the Indian economy and market to be among the top five globally by 2050 — and even outshine the US by 2075.

Though India is now the 5th Largest Economy, it has the lowest per capita income among the largest economies. India is getting closer to reach its potential output, thereby leaving less room to accelerate growth, and hence the country needs to step up investments in infrastructure, upgradation of healthcare and increased access to education to lift its potential growth. Further, India's economic size has come mostly through adding physical capital and not Intellectual capital, which needs a big boost. Niti Aayog carried out a cross-country comparison of R&D spends. India's spend is about 0.7% of GDP, while that of most technologically proficient nations is over 2% of GDP. A measure of an economy's competitiveness derives from its human capital. India has done well to surpass most countries in economic size, but henceforth intellectual capital will be critical in boosting per capita GDP. The National Research Foundation (NRF), approved by the Cabinet recently, is seen as a critical step in India's efforts to streamline its research ecosystem. The Govt's focus on four I's, Infrastructure, Investment, Innovation and Inclusivity will catapult India into the league of developed nations by 2047.

Sugar Industry

Global Sugar

Global sugar production in the 2022-23 crop year is heading towards small surplus and a larger surplus of just over 5 MMT in 2023-24. The El-nino in the second half of 2023 could impact the production numbers in the coming season. The El-nino could result in drier climatic conditions in Asia and wetter climatic conditions in Brazil, both of which are not unsuitable for sugarcane growth in their respective geographies.

Global consumption has been on the rise every year except for 2020, when the pandemic shut much of the world. Consumption is growing at about 1.5% per year, slightly faster than population growth, driven by growth from developing countries in Africa and Asia.

Indian Sugar

The sugar industry in India has had a chequered history and has emerged as a robust sector only in recent years. The turnaround of the sugar sector can be credited to three broad set of factors.

The flagship initiative which has contributed the most to revival of the sugar sector, has been the National Biofuel Policy 2018 which promotes blending of ethanol with petrol. Secondly, exports have enabled the sugar sector to dispose of its additional inventory which has helped the sugar mills to make timely payments to cane farmers. The third factor relates to diversification of product baskets of the sugar mills. The sugar sector today is the torchbearer in the country of a circular economy with minimal impact on the environment. The industry is creating additional value with co-gen power, potash-based fertilizers and use of press mud to generate Compressed Biogas (CBG).

Indian Sugar production in the current season is set to fall to 32.8 MMT from 35.8 MMT of the previous sugar season, a decline of over 8%. With domestic consumption estimated to be at 27.5 MMT and the Government capping the export at 6 million tons, the estimated closing stock to be around 6 MMT during 2022-23 season.

The Central Government very recently, hiked sugarcane Fair and Remunerative Price (FRP) by Rs 10/quintal to Rs. 315/quintal for the 2023-24 season for a basic recovery rate of 10.25 per cent. It has also approved a premium of Rs.3.07/quintal for each 0.1% increase in recovery over and above 10.25% & reduction in FRP by Rs.3.07/quintal for every 0.1% decrease in recovery.

It is pertinent to note that FRP for sugarcane climbed significantly from Rs. 255/quintal in 2017-18 to Rs. 315/quintal for 2023-24 season. On the other hand, the Minimum Support Price MSP for sugar remained at Rs. 31 per kg since 2018-19. The Indian Sugar Mills Association (ISMA) has urged the government to increase the MSP of sugar to Rs 38 per kg. Since 85% of the sugar mills' revenue comes from the sales of sugar, it is an important component to pay the cane price to farmers. ISMA has also highlighted the sharp increase in the cost of sugar production due to rising prices of essential chemicals like sulphur and lime,

jute and high-density polyethylene bags for packing sugar. The Niti Aayog, the Committee of Secretaries, the Group of Ministers and different State Governments have also been recommending for increase in the MSP. The Government should consider the proposal of ISMA favourably in the long term interest of the industry.

Though the National Biofuel Policy has provided the much-needed succour to the Sugar Mills, large part of the industry has been struggling financially due to the increase in FRP and other cost elements that have raised the cost of production of sugar. The problem of surplus cane & sugar can be addressed by correcting this distortion of huge gap between Cost of Production and Ex-mill sugar prices. Further, if India is a structural surplus sugar producer, it needs to export regularly, and such high cane prices make Indian sugar uncompetitive which is always dependent on Govt. subsidies on exports. The lack of linkage between cane price and sugar price makes the cane price unaffordable. The Government has to adopt the Revenue Sharing Formula (RSF) system along with the Price Stabilization Fund to protect interests of farmers.

Ethanol

The Indian Sugar industry is gradually moving towards economic sustainability due to various factors including pragmatic diversification policies. New avenues of diversification especially bioethanol (EBP) and emerging biorefinery models are silver lining for the long-term sustainability of the industry. Ethanol plays a prominent role in lowering Co2 emissions, a cleaner environment, reduces import bill, increase self-reliance, foreign exchange saving and higher income generation for farmers.

India started its Ethanol Blending Petrol (EBP) program two decades ago in 2003. Although, EBP has been under implementation since 2003, announcement of the National Biofuel Policy can be termed as the watershed event leading to a resurgence in the sector. Since then, a slew of policy initiatives has simplified the procedures of establishing ethanol plants and offered remunerative prices for ethanol apart from the Interest Subvention Scheme.

Your Company also responded with alacrity to this landmark National Biofuel Policy. Two years ago, your Company had a distillery capacity of 237 KLPD, which increased to 417 KLPD by the close of FY2022- 23 and is expected to be 582 KLPD a year from now. The output from this distillery capacity is expected to almost treble to 18 Crore litres; the distillery revenue is expected to increase from 22% of the Company's overall revenues to around 35% a year from now; this will generate better outcomes on our overall profitability and position us more as a biofuel business.

Regulatory Updates & Climate Change

The Energy Conservation (Amendment) Act, 2022 which came into force from 1st Jan 2023 seeks to mandate use of non-fossil sources, including Green Hydrogen, Green Ammonia, Biomass and Ethanol for energy and feedstock and to establish Carbon Markets. The Bureau of Energy Efficiency has been made the administrator and nodal authority for creating and executing India's Emission Trading System. This can have major implications for sugar

industry having several potential areas to tap carbon credits. It has earlier done so for its Cogen plants in the United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) regime. Currently, Brazil and USA have carbon linked incentives for ethanol production through sugarcane route, but no such incentive exists in India. ISMA is working towards getting similar accreditation for sugar-based ethanol that helps avoid annually about 7 MMT of emissions.

Cogeneration

Sugar industry is engaged in cogeneration of power from renewable sources. Renewable energy was central to India's ambitious climate challenge announcements of achieving 500 GW installed electricity capacity from non-fossil fuel sources by 2030 at UN 26th Conference of Parties (COP26).

India announced plans to achieve the target of net zero emission by 2070 and reduce the carbon intensity of its economy by more than 45%. India currently occupies fourth position globally in overall renewable energy with 42% cumulative installed capacity from non-fossil fuel sources and the target is to take it to 50% by 2030. As the source of about 75% of global greenhouse gas emissions, the energy sector holds the key to respond to world's climate challenge. The current global energy crisis brings both new opportunities and new challenges for renewable energy. Sugar industry for ever was rooted in renewable energy to meet its captive needs and export surplus power to the Grid.

With the above thoughts in background, I shall now proceed to briefly cover the highlights of FY 2022-23 and the steps being taken by your Company to stay stronger.

Performance and Financials

Your Company, during FY 2022-23 recorded an all-time high crushing of around 51.81 LMT as compared to the corresponding period of previous year at 50.21 LMT and maintained the average annual recovery at 10.62%. Sugar production clocked around 4.93 LMT as against 4.83 LMT of previous year.

The Standalone revenue from operations for the year ended March 31, 2023, was Rs. 2,895 Crore against previous year of Rs. 2,489 Crore and Earnings before depreciation, interest, taxes, and exceptional items (EBITDA) for the year ended was Rs. 527 Crore as against previous year of Rs. 492 Crore. Standalone Profit after tax was Rs. 197 Crore as against Rs. 284 Crore in the previous year. The profit after tax for the year ended 31st March 2023 includes loss of Rs. 155 Crore representing a provision for impairment of investment in subsidiaries/joint venture.

Considering the financial performance for the year, your Board of Directors have declared the first Interim Dividend of Rs.5.50 per equity share and second Interim Dividend of Rs.4.00 per share on a face value of Re.1 for the year ended March 31, 2023. The total Dividend for the financial year ended March 31, 2023, amounted to Rs.9.50 per share of face value of Rs.1 each.

Good governance and transparent relationships have been at the heart of your Company for conducting its business, in an environment, which is challenging and straddled by regulatory mechanisms and restrictions. The Indian Sweetener market, which is at the core of your Company's business, not only witnessed healthy growth, but also increased competition and challenges. Your Company has worked intensively at strengthening its position during the year, by focusing on its flagship brands and also through multiple new products like Parrys Jaggery, Parrys Brown Sugar, Parry's Superfine Sugar, and Low GI Sugar - Sweet Care, customised for different consumer segments. Simultaneously, the Company has also recognised the urgent need to enhance its sales and distribution network and make it future ready. The opportunities ahead of the Company are exciting and energising for all of us. With rising incomes, a young demographic profile, and concerted efforts to enhance agricultural & social development, a New India is indeed being shaped. The Company is well poised to benefit from the anticipated acceleration in the growth trajectory whilst simultaneously making a meaningful contribution to the Government's vision for inclusive socioeconomic development. The years ahead, will see tens of millions of Indian consumers across this vast country, aspire to use brands that offer them very good quality and value. This will undoubtedly lead to accelerated growth in India, for several categories of consumer-packaged goods. EID Parry began reimagining its business model, by capitalising its brand and entering retail and also adding non-sugar businesses to its core sugar business with the objective of generating more value, getting closer to the consumer, and making its operations more sustainable. The reimagined business model is a proof to your Company's capacity to be innovative and decisive when required.

I am pleased to inform you that your Company recently test launched a range of staples with an aspiration to expand its footprint in kitchens across South India. This is keeping in mind with the vision of the brand to go beyond its legacy of sweeteners and be part of the daily cooking repertoire and even more deeply entrenched into the lives of our consumers. With a wide range of products and competent brand management, your Company intends to create an unique positioning across the geographies where it is present. We expect that the "Parry" brand name will be a key consideration point for consumers eager to try our offerings which come with the Parry's promise of trust, purity and reputed quality. The reimagining journey at EID Parry is well under progress and strong platforms for growth are being created. From a largely singular vertical of wholesale sugar, your Company is now engaged across business verticals of institutional sugar, retail sugar, distillery operations, power generation and sweetener derivatives. Your Company is working on other synergetic and adjacent avenues for growth. The Jaggery market in India which is largely unbranded and unpenetrated provides immense opportunity for your Company in the sweeteners space. Further, your Company is working on a number of sugar substitutes for the ever-increasing health-conscious young consumers. I am happy to inform you that the Company has recently forged a collaboration with Incredo Ltd, Israel for bringing Incredo sugar to India. Incredo® Sugar is a sugar-based sugar reduction solution that provides anywhere between 30%-50% reduction of sugar in food and snacks such as cakes, cookies, chocolates, candies and more, with no compromise to the taste or the level of sweetness. It is our aspiration to be a leader in every business segment that we operate in and be acknowledged as a trusted provider of best-in-class products and services.

Nutraceuticals

I will now move to the Nutra segment. The Nutraceuticals Division achieved a standalone revenue of Rs. 55.80 Crore in 2022-23 and the Company's wholly owned subsidiary, US Nutraceuticals Inc. registered a revenue of 29.10 million USD. The business had a consolidated sale of Rs. 258.65 crores for the year 2022-23.

The growing importance of Nutrition in human health has enhanced the long-term global outlook for the Nutraceuticals Business and in this regard supplements from Natural sources are expected to have a robust growth in future.

Last Year, the US Nutraceuticals consolidated its market leadership position for Saw palmetto botanical extract for men's prostate Health and Hair wellness segments. With fully integrated operations across the saw palmetto value chain, we are tactically well positioned. The Company is also making a comprehensive and holistic review of its Nutraceuticals Business with the intent of putting it on a better strategic path.

Subsidiary Company, Parry Sugars Refinery India Pvt Ltd (PSRIPL)

Global demand supply for 2022-23 was more balanced after two consecutive years of deficit. Lower production in Asian countries contributed to the tightness. As per Czarnikow, consumption of sugar recovered from pandemic lows and grew more than the global population growth. Demand Supply balance for 2023-24 depends on the El Nino based weather in Asia, whilst Brazil is poised for record production. Higher refined sugar demand and export restrictions/low operating rates at some key refineries led to a surge in white premium in FY23. PSRIPL continues to be globally renowned as an efficient re-export refiner of sugar. We managed to convert some of our institutional supply into break bulk and recorded the highest ever sale of sugar to institutions. Sales volumes increased to 7.18 L MT in comparison to 6.23 L MT in FY22. Consequently, the turnover increased to Rs.2850 Crore in FY 23 from Rs. 2006 Crore in FY 22. However, on account of delay in clearance of shipments consequent to the suspension of operations resulting from accidents at factory coupled with increased refining costs, PSRIPL incurred a loss of Rs.253.58 Crore. The Company has carried out an assessment of PSRIPL financial projections for the future and accordingly has made an impairment of Rs.105.96 Crore of its investment in PSRIPL. The Company is taking a number of steps to strengthen its operations. Softening of energy costs will help PSRIPL in keeping costs under control, whilst increasing sugar prices and interest rates are challenging operating costs in FY 2024. Increasing white premium would help PSRIPL counter these escalations in costs during the year FY 24. Improvement in container availability will help in restoration of container business volumes.

Sustainability

Your Company is driving advocacy around sustainability and getting broader industry participation to lead the change. Your Company integrates sustainability into the business strategy with a belief that sustainable business and financial performance go hand-in-hand.

With a robust governance mechanism, we are continually working towards our ESG goals to lead change and make a positive difference to people and the planet. Sustainability is one of our core beliefs and our vision is to generate no adverse impact on the environment through our operations. We believe that in this way, we would be able to approach the business risks with a different perspective and build more resilient operations.

At this juncture, it is worth to mention about our landmark Project Nanneer. We have initiated the rejuvenation of seven water bodies in the districts of Sivagangai and Pudukkottai in Tamil Nadu in 2022-23. These critical water bodies are a farmer's lifeline, as agriculture in these dry areas is completely dependent on the monsoons. With an incremental 1 billion litres of water holding capacity, Project Nanneer provides relief to around 2000 farming families. As an extension, we are working on the horizontal deployment of Project Nanneer. The aspiration is to achieve 10 billion Litres of Water Under Management by 2026.

Acknowledgements

I am very grateful to all our beloved shareholders, farmers, customers, suppliers, banks, the Government, and other stakeholders for their continued support, partnership, and invaluable contribution in facilitating the Company's operations.

As we move forward, your Company will remain steadfast in executing against its strategy with a sharp focus on growth. Your Company is committed to strengthening its core businesses, accelerating innovation, and unlocking efficiencies while exploring new opportunities both organic and inorganic, and building for the future. As one of the pioneers in the industry, we will continue to evolve along with our farmers and customers and will keep reinforcing our company's bond with them. I am grateful for your unwavering support and the dedication of our employees, which have been instrumental in the steady progress the Company has made thus far.

We, as a Board, have full confidence in the excellent leadership team of your Company to lead the way for next phase growth of the business in a competent, compliant, socially responsible, and transparent manner. I look forward to witnessing the continued growth journey of EID Parry with all your support. EID Parry is well positioned to take on future challenges with passion.

My best wishes to all of you,

Thank you.

Before taking up the business contained in the Notice of the meeting, I would like to brief you regarding voting on the resolutions proposed in the notice of this Meeting:

- a) Pursuant to the provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided remote e-voting facility to the members to exercise their votes in proportion to the shares held by them as on the cut-off date, August 02, 2023 on the resolutions proposed in the Notice of this AGM from August 05, 2023 9.00 a.m till August 08, 2023 5.00 p.m. Indian Standard Time.
- b) The e-voting window shall now be activated for allowing the members who did not or could not avail the remote e-voting facility, to vote during the AGM and will be active for 15 minutes after the closure of this meeting. Members who did not or could not avail the remote e-voting facility, are requested to vote by clicking on the thumbs up icon available on the bottom of the screen.
- c) Mr. R. Sridharan, Company Secretary in Practice, Chennai, is appointed as the scrutiniser for the purpose of scrutinizing the remote e-voting process and e-voting at this Meeting.
- d) The Ordinary businesses set out in the AGM notice under item Nos.1 to 4 pertains to:

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| 1. | Adoption of the Audited Standalone Financial Statements for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; – as an Ordinary Resolution |
| 2. | Adoption of the Audited Consolidated Financial Statements for the financial year ended March 31, 2023 and the report of Auditors thereon; – as an Ordinary Resolution |
| 3. | Confirmation of Dividend; – as an Ordinary Resolution |
| 4. | My re-appointment as a Director retiring by rotation; – as an Ordinary Resolution |

The special businesses set out in the AGM notice under item Nos. 5 pertains to:

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| 5. | Remuneration of Cost Auditors; – as an Ordinary Resolution |
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The notice containing the resolutions to be passed along with explanatory statement pertaining to the resolutions, wherever applicable, is already available with you. Now I would like to give any clarifications that the Members may require regarding the financial statements and the operations of the Company during the year 22-23.

Before we go live on questions and on the question and answer session, I would request the members to note some of the points for their convenience. The company has received requests from Members to register themselves as speakers at this AGM.

Accordingly, the floor will be open to only those Members who have ask questions or express their views. The moderator will facilitate the session. Once the floor is open for question and answer sessions, the name of the members will be announced who have registered themselves as speakers one by one.

The speaker will thereafter be unmuted by the host and the members are requested to turn on their video and audio buttons and speak while speaking. W request the members use earphones so that it will be clearly audible and minimize any background noise.

Members are requested to ensure that the Wi-Fi connectivity is good and in case any connectivity problem at the speakers' end, we would ask the next speaker to join in and once the connectivity is improved, the speaker will be asked to reconnect. In case any registered member is unable to join, in video mode or for any reason, the shareholder can speak through an audio mode. Each registered speaker will have about 3 minutes to pose their questions. Once all the speakers have spoken, we will answer the questions at the end of the question answer session.

I request the members to be brief and confine their queries to the operations and accounts for the year 2022-23 and I request the members not to repeat the queries already raised by speakers ahead of them.

Now I request the moderator to begin the process and activate the speaker session.

Moderator: Thank you, Chairman, Sir. Before I start inviting the Speaker shareholders, I request the members to be brief and confine their queries to the operations and accounts of the year and limit their question to 3 minutes.

I would now request our first speaker, Mr.Reddeppa Gandluru to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Reddeppa Gundluru

No response received.

I invite our next speaker, Celestine Elizabeth Mascarenhas. We request you to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Celestine Elizabeth Mascarenhas : No response received.

Moderator : I request our next speaker, Mr. Karan Piyush Mehta. We request you to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Mr. Karan Piyush Mehta : Hello. Am I audible?

Moderator: Yes.

Chairman : You are audible, Please go ahead.

Mr. Karan Piyush Mehta: Thank you, for the opportunity. I have received the physical copy of the annual report on time and I found it to be quite informative. I have few queries as follows.

First, we intend to manufacture pharma grade ethanol. Please provide us with some details like total addressable market investment required and Capex plan, our target customers and the expected revenue and margin from this product. How difficult is it to manufacture this product and can any other existing ethanol manufacturer also manufacture this?

Second, we aspire to evolve into a full-fledged FMCG food business company. So which new products do we intend to launch and will these products be launched under our own brand or will they be acquired?

Third, what are our branding and advertising expenses as a percentage of sales for the branded sugar business and how will these expenses grow as we grow our branded sugar business and add non new sweetener products in our portfolio?

Fourth, we intend to quadruple our presence and outlets in next two years. How are we going to do this? We also intend to set up our own retail stores. What would be the investment required and what would be our strategy to grow this? Have we hired some experienced professionals to help us with this?

Fifth, we intend to increase our overall limit of per ton of cane by 25%. How are we going to do this?

Sixth, we have taken write offs in Nutra and refinery business in last few quarters now. How is Nutra businesses performance now and what are our plans to expand this business and will we be looking to exit the refinery business?

Lastly, what's our outlook on sugar production for the coming sugar season?

Moderator: Thank you. Mr. Mehta

Mr. Karan Piyush Mehta : I also seen from your web.

Chairman: Go ahead. Sorry moderator, I think he was making a comment when he was cut off.

Moderator: Mr. Mehta, we request you to kindly unmute and proceed with your question.

Mr. Karan Piyush Mehta : Mam, Just one last question. I think I was muted. So looking at your website, we found that you have entered into the Super Green Business. So can you give some more colour on this?

And, that's it from my side and wish you all the best. Thank you.

Chairman: Sorry, what was that? OK, thank you. We will address that.

Moderator : We could go on to our next speaker. I request our next speaker, Mr. Yusuf Yunus Rangwala to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Mr. Yusuf Yunus Rangwala : No response received.

Moderator : I request our next speaker, Mr. Suresh Chand Jain to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Suresh Chand Jain : Am I Audible?

Moderator: Thank you, Sir. You are audible kindly proceed with your question. Thank you Sir.

Mr. Suresh Chand Jain : Chairman, Director and Shareholder –

Sir, I am a very old shareholder of the company. Earlier I have attended 35th Annual General Meeting. We expressed our views and it was pleasure meeting you all. I have faith in Murugappa Group and I am shareholder of all the companies in the group. The Group also has office in Hyderabad and we got chance to meet the Directors there. We are very happy that our company is contributing largely in nation building and economic growth. We shall keep praying for the Company to grow further. Thank you.

Chairman: Thank you.

Moderator : Thank you, Mr. Jain. I request Mr. Reddapa Gulluru to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Mr. Reddeppa Gundluru : Hello, Mr. Chairman M M Venkatchalam, Sir. Srivasan Suresh Sir, CEO, Muthaiah Murugappan Sir and Sridhar Garu, Biswa Mohan Sir and all the other directors, scrutinizers and my fellow shareholders of this video conference.

Good evening, Namaste, Sir.

My name is Redeepa Gundluru from Hyderabad.

I'm a financial advisor, Sir. As a shareholder, we are very happy about the company performance for financial year 2022-23. We are very proud shareholder, sir. We have received the annual report well in time. We have gone through the annual report. We find very nice information with colourful photograph. Sir, thank you so much and also Chairman Sir, you have given all the information in your speech. You have taken time, but each and every point you have covered.

Thank you so much, Sir.

Sir, in page 16, Chairman's and MD CEO's photographs are very handsome Sir. Unique and wonderful annual report. A special thanks to whoever has prepared the annual report?

Sir in page no. 16, our CEO's smile is very awesome and sweet as sugar. Wonderful Sir, I felt very happy.

Sir, I would like to thank to all the hardworking KMP's for the maintaining transparent governance, Sir. Thank you so much Sir. Keep it up. I'm very old share shareholders, Sir. I'm a very good fan of Murugappa Group. I'm a investor in all the group of companies. From financial point of view there is very good strong operational performance with the continuous growth. Sir, thanks for dividend and also Sir, our products are very unique Sir, Parrys Sweet Care - what a brand Sir, very wonderful Amrit Brown Sugar Sir. Traditional Jaggery Powder. Wonderful Sir, mouth-watering Sir.

I have seen the photograph of annual report, very wonderful Sir and also the Low GI Parrys Sweet Care which is wonderful. Pure is wonderful, Super fine sugar is wonderful. Congratulations for wonderful members, MD and CEO team, financial performance, quality management and technical momentum.

Moderator: Sir I request you to take question first. Thank you.

Mr. Reddeppa Gundluru : Sir, don't take Karvy people next time, Sir. They're always disturbing people. Because I'm a proud shareholder. I'm speaking something in front of the board, please don't disturb me.

I have taken only one minute. Thank you, Sir.

Highest crushing is very wonderful Sir. 51,00,000 metric Tonnes . Sir. Thank you so much in your speech Sir.

From awards point of view, congratulations for many more awards and achievements in Page 47.

There is a tremendous performance sir. Thrice as a super brand, Parry brand has seen colourful and proud moment which is captured in Page No. 21. Thank you Sir. Hopefully, next financial year, we will receive many more awards because for quality. Murugappa Group is known for integrity, passion, responsibility and respect with the qualities, Sir.

CSR also doing very wonderful Sir, Please keep it up. Sir we have reached very wonderful heights. Now what is your next goal, Next vision, Next mission I would like to know Mr.Chairman. You have already you told in your speech vision, but any special mission Sir, I would like to know as a proud shareholder.

We are the first sugar company from 1842 Sir.

And the second question is Sir, every year you are writing off bad debts. What is this sir? Last year also I raised this question but no answer was given properly. You are going on giving some clarification Sir. Bad debts written off is Rs.1381 Lakh vs. last financial year. I need break up Sir.

Sir, these are the couple of observation from my side. Nothing more, Sir.

I supported all the resolution through e-voting. Sir, I would like to thank the company secretary department.

Wonderful services Sir. Investor relationship have strengthened as compared to last financial year. The Secretarial team called me and gave me the very wonderful services sir.

Sir, last year we requested plant visits Sir.

Sir you had given promise. Please think and give a chance to all participants to visit Sir.

Please send complementary brands – sugar, Sir.

This is the second time I am requesting Sir. Thank you so much for giving this opportunity.

Under leadership of Murugappa, Sir and also the Chairman, the Company will achieve many more higher awards. Sir, I wish all the good health and happiness to you, Sir. Namaskar, Namaste, Vanakam, Sir.

Chairman: Thank you.

Moderator: Thank you. I request our next speaker, Mr. Srikanth Jhawar, to kindly unmute your audio, switch on your webcam and proceed with your question.

Thank you.

Mr. Srikanth Jhawar: No response received.

I request our next speaker, Mr. Kamal Kishore Jawhar to kindly unmute your audio, switch on your webcam.

Mr. Srikanth Jhavar: Am I audible?

Moderator: Yes. You are audible.

Mr. Srikanth Jhavar: First of all, Namaskar to all the directors and specially to the Company secretary Mr. Rath. I have known him for long. He is a very good man. Please arrange to send balance sheet after meeting. I don't want to talk much, the Chairman has already covered almost everything in his speech. The interim dividend and final dividend declared by the company which is somewhere near Rs. 9 was received and request you to keep declaring dividend for small investors like us. I just want your attention for sometime before concluding, I am in this field for last 35 years and since last one year, the CSR activity you made, we have no information on the same. When we got to know about some CSR trust being formed and we visited that place which had big banner of CSR activity but the business conducted inside is not supporting the cause. They do business of alcohol. They collect the money in large number and use for their personal benefit. Please be informed of such scams. I feel this to share. Thank you sir.

Chairman: Thank you.

Moderator: I request our next speaker Mr. Abhishek Jain to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Mr. Abhishek Jain : No response received.

Moderator : I request our next speaker Miss K Ilja Devi to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Miss K Ilja Devi : No response received.

Moderator : I request Mr. Atul Gadodia to kindly unmute your audio, switch on your webcam and proceed with your question. Thank you.

Mr. Atul Gadodia : No response received.

Moderator : I request Mr. Bhupender Kumar Parikh to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Bhupendrakumar R Parikh: Hello. I'm audible.

Chairman: Yes, please go ahead Sir.

Bhupendrakumar R Parikh: Good morning to everybody, Sir. What else? I did not get any annual report of the company only Tube Investments I got it.

Chairman: Please go ahead.

Bhupendrakumar R Parikh: Sir, based on the annual report of Tube Investments of India, I like to say something on page 76

Chairman : This is E.I.D.- Parry Sir.

Sir, we have invested in four companies of the Murugappa Group. Then by Act of God we are now shareholder of six companies. I had to write down to get the annual report. It's ok.

Chairman : Yes, go ahead Sir.

Bhupendrakumar R Parikh: I think there are 80,000 shareholders in E.I.D.- Parry. The cost of notice itself towards postage will come to ₹.20,00,000 including printing. So if you say, you have a fixed date on which the company should have a meeting because now we have to meet physically or virtually. The other directors can also attend. So with ₹.30,00,000 we can have both virtual and physical meeting and we can save paper. So this is the first thing I want to tell you. Second thing, same way annual reports, if we see, we are spending heavy amount on the printing so even if you save that, you can give a pen drive to the people which will work for five years but we can store the data for 20 years. So, think of that sir. The third thing sir, now when Murugappa Group of people, who are talented and building capital because now you say I don't want to confuse with TI and all so why not we should have the secretarial to be outsourced. There also we can save. Not only save the money, it's not mandatory also. So I find when many people are there why not we do have in house and I have seen that many companies are having in house facilities.

Can you not have a mechanism like Income tax office, which is sending us mail. I have not received annual report but people in Hyderabad are getting it, people outside Chennai are getting it. Why the people in Chennai are not getting it. So that mechanism shall be in place. Then one more thing, Sir. Just be on line.

Then I want to tell you, Sir, Another part, Sir. Why no action was taken by the Company Secretary for the circular issued by SEBI which has been withdrawn. Just follow whatever SEBI says. SEBI itself after many number of people represented has withdrawn and came out with Circular No. 37 of 2023. So I want the people in secretarial department to be active. Then the bankers do not give any information nor public gives any information. We do not know whether the dividend is received or not received. We should have mechanism where everything should be available. OK, Sir, I'm not able to speak. Thank you, Sir.

Chairman: Thank you very much, Mr. Parikh.

Moderator: Thank you, Sir. With this, we have completed the questions from the speakers. I hand over the session back to you Chairman, Sir. Thank you.

Chairman: Thank you very much.

Thank you very much for your questions. Mr. Suresh Chand Jain and Mr. Jawar, please thank you very much for your compliments to the management and the group.

Hopefully next year we will be able to meet you in Hybrid model or a physical AGM. There are several questions that were specific to the operations. So I would request Mr. Suresh, the Managing Director and Mr. Muthiah Murugappan, the CEO to address them.

Mr. Suresh, Managing Director :

I would like to first of all, thank the shareholders for all the questions.

There was a question on the pharma grade ethanol. We have been suppliers of pharma grade ethanol. It doesn't require any specific capital investment for the production of Pharma grade ethanol. However, it requires a good level of strict processes to be followed at the plant level. These processes are weighed and verified by the pharma companies who intend to source this pharma grade ethanol. The addressable market is roughly around 70,00,000 litres and we supply close to around 40 to 45,00,000 litres, out of that 70,00,000. Based on the demand, this ethanol requires certain specifications. For example, there cannot be any peroxide even at PPM levels. There cannot be any impurities as well. So once we qualify ourselves for the requirements of the customers, then we become eligible to supply to them and definitely this gives a premium of anywhere between Rs. 4.00 to Rs.8.00 per litre over and above the normal C ethanol which is being given to the oil marketing companies. That is one thing I would like to address.

Second is on the question on the EBIDTA per ton from the current level we have talked about there is a good amount of opportunity to improve. Our distillery expansions are getting completed by '24-25 where they will be full operation. The benefits of that also will start augmenting the EBIDTA per ton. In addition to that, our continued cost focus as well as the expansion into the retail as compared to the trade, higher margin retail mix and better products like jaggery and brown sugar and low GI sugar etc., they all will add to the value to the business. Thereby the scope for EBIDTA per ton of improvement exists.

Mr. Muthiah Murugappan, CEO :

Thank you. Good afternoon. I will address some of the questions.

There was a question on the FMCG Foods business and which products we intend to launch and whether they will be under our own brand or whether they will be acquired.

With the sweetener, we currently occupy a small share of the kitchen shelf. The aspiration is to get a larger share of the kitchen shelf. As Chairman mentioned in his speech, we are piloting a line of staples which is Millet, Dhall and Rice in the Chennai market. Once we have learnings from this pilot, we intend to scale this further. I think there are other opportunities

on the kitchen shelf which are also available and we will certainly be tracking them and looking to get into some of these opportunities. Some of these will be organic and some of these will also be inorganic in nature over the coming years. In terms of the branding and advertising expenses, currently there are about 5% of the branded sweetener revenues at steady state. When we expand our product portfolio, it's likely to be 8 to 10% of revenues in terms of the size of the branding expenditures. In terms of our distribution and outlet presence, we have been consistently expanding our outlet presence. We don't intend to launch our own retail stores. We will work with general trade. We will work with a large format, modern trade as well as e-commerce as our channel partners. We have a team which understands the FMCG business which has been built over the years, right from the leadership to the team executing in the field level, they have a very high understanding of the FMCG sector. So there was a question on the write offs that we've taken in the Nutra and the refinery business. What plans are for the Nutra business for the future, how they will expand and there was also a question as to whether we'll be looking to exit the refinery business. We have taken right steps in the refinery business, as per the statutory accounting standards. The Nutraceutical business in terms of its performance, the standalone India operations have been weak because of a certification issue in Europe. The certifications we are getting recertified and expect the business to come on track in the second-half of the year. The US business, we have the B to C or the D to C with Saw Palmetto berry extract brand momentum. We are scaling that down because we believe the ramp up to be sort of taking a long period of time. The focus will now be more towards the other part of the business and there are some good tailwinds in terms of the well and sub business as well. As the Chairman has mentioned, we are doing a holistic and comprehensive review of the nutraceutical operations in order to put it on a better strategic path. With regard to the refinery business, the operating conditions have been challenging, but I think we run a strong plant in Kakinada and the operational efficiencies are very sound.

We are working with a lot of prospective and strategic partners to build partnerships in order to strengthen the business model. That's the current focus from the refinery perspective. In terms of the sugar production outlook for the coming season, there has been a slight dip in the monsoon rains, especially in the summer. August will be a critical month to watch. July has been a good month, but they have they were deficits prior to July and August also started slow. So to that extent, one can expect yields to come down for this season and fresh planting also to come down. But we have to wait and watch August as well as September, which is the key period for the SW monsoon. If the monsoon remains deficient, then there will be an obvious and natural dip in terms of yields as well as in terms of fresh planting. There's also a question about the vision and mission for the company going forward. I think that as our Chairman mentioned in his speech, I think the focus will really be on transitioning and transforming the EID Parry business into food-nutrition and a biofuel company. I think all of these areas have strong tailwinds for growth and I think this is the vision that the management is working with.

And hand over to Mr.A.Sridhar.

Mr. A. Sridhar : Good Afternoon, There is a question with reference to the bad debts provisioning.

I would like to state here that the company has a very strong accounting practice of provision for those advances or receivables and follow-ups are made periodically to ensure that the collections are made at the end of three years. We make a provision in the books and continue to follow up whether legally or if it is pertaining to the statutory related follow-ups with the government. Out of this provision, what which has been written off, the majority of that is pertaining to the sugar year 2014-15, where exports were made and subsidy was to be received from the government on account of the exports made. It was rejected by the government on the lines that they wanted to actually follow the LEO basis of dates and not on the bill of lading date. Because of which it was rejected. We have been following up with them for almost 8 years now and finally we got a letter from them saying that this claim is no more tenable and we have to make write off the same in the books of accounts so that at least we could take the tax benefit on account of this.

Chairman: Thank you. There was a comment made on the CSR expenditure.

Just want to clarify that we do not give any donations. The CSR money that is spent is either through projects done directly by us from the various plants or through the AMM Foundation, which is a 100 year old philanthropy institution of the group. So, we do not make any other donations through the CSR.

The questions on comments on annual report not being received, we do send it out to the registered mail ID's. So please check if your mail ID is correct and that will be obviously less expensive than printing or even sending it out in a pen drive.

Similarly, the dividends not being received, if you could just check your bank accounts etc., whether address etc. is updated with KFin Technologies Limited and if that is so then it will be automatically transferred. I think we've covered all the comments and questions. Thank you very much for participating.

Now I request all the members who have not yet voted, to exercise their vote. E-Voting platform will close 15 minutes from the conclusion of this meeting. Mr. R Sridharan, Scrutinizer would consolidate the results of the remote e-Voting and the electronic voting at this meeting and submit his report. The results along with the Scrutinizer's Report will be placed on the Company's website and the website of the Company's RTA that is KFin Technologies Limited and will be communicated to the Stock Exchange within two working days. Once again, I'd like to thank all the members for taking time off to join this meeting and also thank my team here and the team at KFin Technologies for conducting this AGM in a seamless manner. And also thank and appreciate the time and effort of all my colleagues on the Board in assisting me in in conducting the affairs of the company.

Thank you very much.

So with your consent and the other members of the senior management team would like to leave this meeting. This concludes the business session. I thank all of you for your participation and declare that the meeting is closed.

Thank you.