

Dalmia Bharat Limited

Annual General Meeting

Held on Wednesday, September 29, 2021 at 11.30 am

Transcript of meeting

Dr. Sanjeev Gemawat: Good morning and welcome. I extend my heartiest...

Moderator: Sir, you can continue, sir.

Dr. Sanjeev Gemawat: Okay. Good morning and welcome. I extend my heartiest welcome to all the members, the members of the Board of Directors of Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited, auditors, and the management team to the 8th Annual General Meeting of Dalmia Bharat Limited. This AGM is being held through videoconference, as per Circulars issued by the Ministry of Corporate affairs and Securities and Exchange Board of India. The members attending this e-AGM through video conference facility are counted for the purposes of reckoning the quorum. We have the requisite quorum present to conduct the proceedings of this AGM. I'm pleased to inform you that Shri Pradip Kumar Khaitan, the Chairman of the Board of Directors of the company, is present in this meeting, and I would request him to chair the meeting. It gives me pleasure to inform you that the members of the Board of Directors of the company and also the members of the Board of Dalmia Cement (Bharat) Limited, the wholly owned subsidiary of the company, are present in this meeting. I heartily welcome all the members of the Board. It's my pleasure and privilege to introduce the Honourable Chairman and the board members present here. I would like to first introduce the Honourable Chairman, Shri Pradip Kumar Khaitan. He's an Independent Director and the Chairman of the Board of the company. He's also a member of the Audit Committee and the Nomination and Remuneration Committee. Now I would like to introduce Shri Y. H. Dalmia. He's a Non-Executive Director of the company and a member of the CSR committee and the Stakeholder Relationship Committee of the company. Now I would like to introduce Shri Virendra Singh Jain. He is an Independent Director, and the Chairman of the Audit Committee, the Stakeholder Committee, and the Risk Management Committee of the company. Now I would like to introduce Smt. Sudha Pillai. She's an Independent Director of the company and also of Dalmia Cement (Bharat) Limited, and Chairperson of the Nomination and Remuneration Committee and the CSR Committee, and a member of the Audit Committee and the Risk Management Committee of the company. Now I would like to introduce Shri Gautam Dalmia. Shri Gautam Dalmia is a Managing Director of the company and a Non-Executive Director on the board of DCBL. Shri Dalmia is a member of the CSR Committee and the Stakeholder Relationship Committee of the company. Now I would like to introduce Shri Puneet Dalmia. He is a Managing Director of the company. Now I would like to introduce Dr. N. S. Rajan. He is a Non-Executive Director of the company and a member of Nomination and Remuneration Committee and the Risk Management Committee. Now I would like to introduce Shri Paul Heinz Hugentobler. He is an Independent Director of Dalmia Cement (Bharat) Limited. Now I would like to

introduce Shri Mahendra Singhi. He is the Managing Director and CEO of Dalmia Cement (Bharat) Limited. Now I would like to introduce Shri T. Venkatesan, Non-Executive Director of Dalmia Cement (Bharat) Limited. Shri Amit Goel, partner from SS Kothari Mehta & Company, Statutory Auditors, and Shri Neeraj Sharma from M/s Walker Chandiook & Co, LLP, Proposed Statutory Auditors, and Shri R. Venkatasubramanian, Secretarial Auditor and Scrutinizer, are also present in the meeting. May I now request the Chairman to take the chair and continue with the further proceedings of the meeting. Chairman Sir.

Moderator: Chairman sir, yeah, thank you, sir.

Mr. Pradip Kumar Khaitan: Good morning, everyone. Like last year, we are once again meeting virtually as the continued impact of COVID-19 pandemic necessitates adoption of safety measures to arrest its spread. Today, we deeply miss Shri Jai Hari Dalmia, who moved to a higher realm on 8th of July 2021 peacefully, remembering Lord Ram till his last breath. He was a leader, remembered for his generosity and charismatic personality, and lived a life in service for humanity. He was the guiding light for Dalmia Bharat Group and played a crucial leadership role for over five decades with the group. May I request all of you to keep silence for 30 seconds in his memory.

Since the quorum is present, I call this 8th Annual General Meeting to order. At the outset, I hope and pray that each one of you and your family and friends stay safe and secure in these testing times. Having seen the sudden and widespread impact of the second wave very recently, it is our individual and collective responsibility to adopt and promote uses of safety precautions, and push for large-scale vaccination, as it is the only way to fight out of this pandemic. As a responsible corporate citizen, your company continues to work strongly with various local authorities, agencies and hospitals, supporting them not just through financial commitments, but also meeting the requirements around sanitary products and services. Continuing with our foray of helping communities, we have extended help to various government initiatives and hospitals, including by providing oxygen cylinders. Our recent priority has been to vaccinate our employees with agility, and we have been holding various vaccination drives across the country towards this endeavour. I'm happy to report that at present 92% of our employees are vaccinated across the organisation with at least one dose of the vaccine, and over 52% of our employees with both the doses of vaccine.

In the financial year 2021, we increased our manufacturing capacity from 26.5 million tonnes per annum to 30.75 million tonnes per annum. Sales volume increased by 7% to 20.7 million tonnes per annum and operating EBITDA increased by 32% to ₹2783 crores. Our profit after tax crossed the ₹1000-crore milestone and stood at ₹1243 crores, more than four times growth year-on-year. We recorded our highest-ever full-year EBITDA margin of 26.4% on the back of an all-around improved operational performance. And, while we continue to take all steps to deliver a strong financial performance, our commitment to the well-being of our stakeholders and the community at large remains steadfast as ever.

As a leading cement company, your company puts a strong emphasis on its role as a responsible corporate citizen in the area of environmental stewardship, and constantly strives to manage its resources and minimise environmental footprint. Your company also continues to take progressive steps to keep

enhancing its reporting to various stakeholder constituents, and I'm delighted to inform all our shareholders that this year, your company has published its fifth integrated report as per the integrated reporting framework. Over the years, your company has actually demonstrated and placed itself as a reliable and sustainable player by bringing out innovations in the marketplace in areas of logistics, green energy, new products, branding, and distribution channels, by expanding its capabilities.

I will be failing in my duty if I do not take this opportunity to commend the dedication and zeal of our Managing Directors, Mr. Gautam Dalmia, Mr. Puneet Dalmia, and Shri Mahendra Singhi and their collective teams who have strived through a very difficult period and ensured that, as an organisation, we surmounted all the challenges and continued to take our organisation forward. I would also like to thank all my colleagues on the Board for their continued support in all our endeavours. Finally, I thank all our shareholders for their persistent trust and confidence in Dalmia Bharat Limited. Thank you. Back to you, Mr. Gemawat.

Dr. Sanjeev Gemawat: Sir, may I request Mr. Puneet Dalmia, Managing Director of the company, to address the members.

Mr. Puneet Dalmia: Thank you, Sanjeev. Thank you, Mr. Chairman. And good morning and namaskar to all of you. I'm very excited about the fact that despite last year being a pandemic year, we delivered great all-round performance. Even though the first quarter of last year was almost a total washout, we grew our sales volume and revenue by high single digits between around 7 to 9%, and our EBITDA grew to 32% and our net profit grew by about 422% last year. I must compliment the entire management team and the able guidance provided by our Board of Directors for this all-round performance. I also want to thank all our suppliers and all our customers and all our employees for going, for withstanding, you know, substantial disruptions and yet working together as a team to deliver a fantastic performance. We crossed two major milestones last year – one of Rs.10,000 crore revenue and another one of Rs.1000-crore PAT. Also, I think, big milestone standpoint, we started our Bengal grinding unit, we commissioned a clinkerization, biggest clinkerization plant in Rajganpur in Odisha, and we also completed the acquisition of Murli Industries through the IBC process. Overall, our manufacturing capacity of cement has gone to around 30.75 million tonnes last year.

We also were very confident about our future, and based on this, we embarked on a share buyback programme, and we successfully completed share buyback programme of about 329 crores last year. Along with a dividend payment of 25 crores, this translates to a total return back to shareholders of around 354 crores, which has been our largest-ever return programme to shareholders last year. We are very happy that in the last decade, we grew our capacity from around 9 million tonnes to 30 million tonnes, and we are today almost a debt-free company. The total debt that we repaid last year on the back of strong operational cash flows was upwards of Rs.2000 crores, and we are very well poised to take care of the great opportunities that India offers.

As our chairman said, our employee vaccination programme is going very well, including employees, contractors and temporary workers. We have more than 20,000 people connected with us, and 92% of them have already received the first dose and 52% of them have received the second dose of vaccine.

We are very confident that in the coming months, we will make sure that this number goes to 100% and we are very well poised to ensure that we can handle any more waves that may come.

We are very excited about India's future as the country is coming out of the pandemic. We believe that the large-scale metamorphosis that is going on in the Indian economy is much bigger in scale and scope compared to the 1991 liberalisation reforms. And, as millions of people get lifted out of poverty, a massive middle class will get created, driving consumption and a housing boom. And as India marches confidently towards becoming one of the top three economies of the world in the coming decade, I think India will continue to build world-class infrastructure across the board to enable economic growth. We see both in from and housing as strong and sustainable demand drivers for cement in the next decade. So, based on this confidence, and based on the fact that the company is very strong and a debt-free company today, net-debt-free company, we have created a strong expansion plan to grow our capacity by about four times in the next decade. We have taken a target or between 110 and 130 million tonnes, and from current 30 million tonnes, we will create a 15% CAGR in our capacity growth over the next decade.

We are also very clear that we want to give a more predictable returns to our shareholders in the coming years, and we have allocated 10% of our free cash flow, up to 10% of our free cash flow, to be given as dividends or share buybacks to our shareholders in the coming years. I think the best of Dalmia is yet to come. And I think the next decade poses some very, very exciting opportunities. And for this, we have embarked upon a capex programme, which is the largest in our history, to take our capacity to 48.5 million tonnes by 2024. And we are also going to announce, you know, further expansion in the year, in the coming quarters. So, I want to thank everyone in my management team for their support, the Board of Directors for the guidance, and all the shareholders for their continued support and faith in us. I look forward to continue to engage with all of you to get more feedback so that we can build an institution which we can all be proud of. Thank you.

Mr. Pradip Kumar Khaitan: May I now request Mr. Dharmender Tuteja, Chief Financial Officer of the company, to give his presentation on financials of the company.

Mr. Dharmender Tuteja: Thank you, Chairman sir. Kindly allow me a minute to upload my presentation. Good morning, members. Welcome to this Annual General Meeting. Key highlights have already been shared by Chairman Sir and Puneet ji. So I'll just touch upon a few of those points only for reiteration. Last year, as we all know, was a challenging year for all of us because of the COVID wave and the consequent lockdowns. The economy de-grew by about 7%. That had impact on the domestic cement production that was done by about 11%. In spite of that, or sales volume grew by about 7%, revenue was up by about 9%. And because of the cost control measures and also supported by higher realisation, we were able to increase our EBIDTA by about 32% and PAT increased 422%, helped by reduction in our depreciation, interest because of the loan repayments, and also tax reduction, tax cost reduction, because we were able to move to new tax regime. So this phenomenal performance has been there in a very, very challenging year.

Looking at the key components, how this EBIDTA increase of 32% came, the largest of course came from the increase in volume, which was 259 crores. Realisations helped increase about 240 crores, variable cost reduction helped to contribute 70 crores. Fixed cost, there was a massive drive to control

it, that contributed to 127 crores, and rest was about 20 crores, to reach 2783. Some of other highlights, as already stated by Puneet ji also, that we increased our capacity of cement to 30.75 million tonnes by increasing our 3 million tonnes cement capacity at Rajgangpur, and clinker capacity also we were able to increase [20:37] came from Rajgangpur and cement came from Midnapore unit, 2.25 million tonnes. And we successfully acquired Murli Industries under IBC proceedings. This is second acquisition under IBC. In 2018-19, we acquired Kalyanpur Cement, which is currently Dalmia DSP Limited. This is the second successful acquisition, and both these IBC acquisitions, we are in the process of integrating and merging with our main operating entity, which is Dalmia Cement (Bharat) Limited. Schemes of these two amalgamations were filed in March 2021. We completed share buyback, which contributed 329 crores payout to the shareholders, besides dividend of 25 crores, and because of the strong operational cash flows contributed by the profit as well as capital reduction, we were able to reduce our gross debt by 2,224 crores, and company has become virtually net-debt free. Net debt was just about 100 crores.

Okay, other key financial ratios, if we see, because of the better profitability and reduction of the debt and reduction of the capital employed or interest coverage ratio has improved from 4.5 to 7.8 times. Our debt service coverage ratio has improved from 1.35 times to 2.52 times, net debt to EBITDA is virtually zero, which is 0.04. Same way, net debt to equity ratio is also virtually zero, 0.01. Return on Capital Employed and Return on Net Worth also improved. So I've also given the adjusted returns after removing the impact of the goodwill which arose on the restructuring. So, if we take out that, the ROCE improved from 7.8% to 12.2%, and return on net worth improved from 6.8% to 13.5%. Because of the higher [22:45] assets, our current ratio also improved from 1.18 to 1.31 in spite of reduction of the current less working capital. Our EPS, cash EPS was 142 compared to 98 and diluted EPS also increased from 18 to 66.

And looking ahead, I think Puneet ji has shared his vision. And now we want to become a pan-India and pure-play cement company. In line with this, as we grow our journey of increasing the capacity by about 15% CAGR to 110 to one 130 million, we'll be moving from our existing zones, which is south, east, and northeast, to centre, west, as well as north. That will come in due course of time. And for becoming a pure-play company, the Board has, in the last meeting held in July, also taken an in-principle decision to divest from the retail business which has hit the stores. More, we'll see in the coming quarter. And our vision is that in whichever market we operate, we have to be a significant player. So, amongst the top three players in whichever market we operate. And, all this we want to grow on a very, very strong balance sheet, which is zero-debt company as of now, and we will be improving upon on the highest corporate governance we'll be practising.

And we consider that employees are our best assets, and who are contributing to bring all this performance. So, building on the operational culture, that continues to be the strategic imperative. On the capital allocation policy, as Puneet ji explained, up to 10% of our free operating cash flows, we would like to give to the shareholders in the form of dividend or share buyback. Another 10% is being reserved for innovation and Green Energy Fund. That is in line with the sustainability objectives which company is keeping. Balance will be used to fund our expansions as well as maintenance capex. And all these expansions will be earmarked keeping the debt of the company at a very, very manageable level. We will not allow debt to EBITDA ratio crossing 2, unless we come across a very, very strategic opportunity which may temporarily allow this to go up with the prior approval of the Board. And this will also help us to improve our ROCE to more than 14 to 15% concurrent about 12%. And Board had also approved a

treasury policy which mandates investment of surplus funds of at least 85% in triple-A securities, and balance 15% also and at least double-A-plus securities. So, all these treasury assets which are kept, are kept in a very safe instruments in line with the treasury policy.

Just to give the colour on the expansion plans, which have been announced, which will come through in the next three years, in line with our objective to reach 110-130 million in next 10 years, cement capacity is going to increase from 30.8 to about 48.5 in next three years, which will include ongoing projects which are existing projects at Kapilash and Bihar, and Murli, which is adding to 7.8 million. Then Greenfield units will come in south, which will add capacity about 3 million, then Brownfield expansion in our east zone plant will be about 1.7 million, and balance 5.2 million is debottlenecking operations of our existing plants capacities, which adds up to about 48.5. Also, on the clinker increase, this increase of about 4.7 million tonnes capacity next three years, it comes through the bottlenecking in our existing plants at various locations. All these expansions are expected to cost roughly about 9000 crores. So, the ongoing capex, that should take about 1000-2000 crores. New capacity of 10 million should take about 4700-5000 crores, green initiatives, which is WHRS and solar power plants, that will cost about 1000-2000 crores, and others, which includes land also, that will cost about 2,000 crores or 1,800 crores. So we'll look excitedly to the way ahead and thank you for your support. Thank you very much.

Mr. Pradip Kumar Khaitan: May I now request Dr. Sanjeev Gemawat to read out the agenda and apprise the members about the voting process and other related matters.

Dr. Sanjeev Gemawat: Sure, sir. Thank you, sir. Dear members, I would like to inform you 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 could please use the e-voting facility and complete their voting. Members may click on 'vote' tab on their screen to avail the e-voting facility. In order to have the voting process in a fair and transparent manner, the Board of Directors has appointed Shri R. Venkatsubramanian, practising Company Secretary, as a Scrutinizer, to scrutinise the e-voting process. All documents and registers referred to in the Notice of the e-AGM are available electronically for inspection by the members. As the e-AGM has been held through video conference, the facility for appointment of proxies by the members is not available. The floor will be open for members who have registered themselves as a speaker for question-answer session after the agenda items of ordinary business and special business are taken up. The moderator will facilitate this session once the Chairman opens the floor for questions and answers. As the Notice of this e-AGM has already been circulated to all the members, with the permission of the Chair, the same be taken as read.

Mr. Pradip Kumar Khaitan: Yes, go ahead please.

Dr. Sanjeev Gemawat: Yeah. With the permission of the Chair, we will now take up the items as set forth in the notice of this AGM. Ordinary business: Item one is to consider and adopt the audited standalone and consolidated financial statements of the company for the financial year ended March 31, 2021, and the reports of the auditors and directors thereof. 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 the Statutory Auditor's Report on the standalone financial

statements. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any comments and explanation. The matters of emphasis in the Auditor's Report of the consolidated financial statements with respect to disputes between the minority shareholders of Calcom Cement India Limited, a step-down subsidiary of Dalmia Cement (Bharat) Limited, illegal and unauthorised transfer of mutual fund units by the depository participant, and amortisation of goodwill as per the provisions of schemes of arrangement and amalgamation have been duly explained and clarified in the Director's Report and notes number 4B(2) and 35(B) and 911 of the notes to accounts to the Consolidated Financial Statements of the company for the year ended March 31, 2021, which are self-explanatory and do not call for any further comments and explanation. Further, the auditors have not reported any matter under Section 114, subsection 12 of the Companies Act, 2013. I would like to further apprise that there is no qualification, reservation, or adverse remarks in the Secretarial Auditor's report. With the permission of the Chair, Auditor's Report and Director's Report may be taken as read. Chairman sir?

Mr. Pradip Kumar Khaitan: Yes, please. Please proceed.

Item number two is to consider and declared dividend of ₹1.33 or 66.5% per equity share of ₹2 each for the financial year ended March 31, 2021 by an ordinary resolution. Item number three is to consider and appoint a director in place of Mr. Yadu Hari Dalmia, DIN number 00009800, who retires by rotation and, being eligible, offers himself for reappointment by an ordinary resolution. Item number four is to consider and appoint M/s Walker Chandiook & Co LLP, Chartered Accountants, firm registration number 001076N/N500013, as Statutory Auditors of the company by an ordinary resolution. Special business: Item number five is to consider and approve for the continuation of directorship of Mr Yadu Hari Dalmia on attaining 75 years of age as a Non-Executive Director of the company by a special resolution. Item number six is to consider and approve for the continuation of directorship of Mr. Virendra Singh Jain DIN number 00253196 on attaining 75 years of age as an Independent Director of the company by a special resolution. Item number seven is to consider and approve the payment of remuneration to Mr. Gautam Dalmia, the Managing Director of the company, for his remaining tenure of two years, that is to say from October 30, 2021, to October 29, 2023, by a special resolution. Item number four is to consider and approve the payment of remuneration to Mr. Puneet Yadu Dalmia, the Managing Director of the company, for his remaining tenure of two years, that is to say from October 30, 2021, to October 29, 2023, by a special resolution. Now I request Chairman Sir to proceed further, sir.

Mr. Pradip Kumar Khaitan: Thank you, Mr. Gemawat. The remote voting has already taken place. And those present and who have not voted earlier are now going to complete their voting, if they wish, within the next 15 minutes. Therefore, I would request Mr. Bhaskar Rao, the moderator to facilitate the question-and-answer session and take up the queries one by one of members who have already registered themselves as speaker for the AGM and submitted their queries. The members are requested to keep the questions brief and precise and not exceed two minutes each, so that as many questions would be taken up as possible within the limited time available. I now request Mr. Tuteja, Chief Financial Officer, to respond to the queries. Mr. Bhaskar Rao.

Moderator: Thank you, Chairman sir. Sorry for the interruption. I would call upon our first speaker, Mr. Ganeshan Maruthumuthu from Trichy. Mr. Ganesan, you are requested to kindly unmute yourself, switch

on the camera and proceed with asking the question, please. Mr. Ganeshan Maruthumuthu. We have not received any input from Mr. Ganeshan. So we will be moving on to our next speaker, Mr. Karthikeyan R? Chairman sir, just to [disturbance]. Sorry, Mr. Karthikeyan R, there is a lot of echo from your end. I would request you to kindly unmute and now proceed with asking the question, please.

Mr. Karthikeyan R: Respected Chairman Sir, I'm Karthikeyan from Trichy. Could you elaborate on the status of restructuring schemes being undertaken by company's subsidiaries?

Moderator: Thank you, sir. Thank you.

Mr. Dharmender Tuteja: Thank you, Karthikeyan, for your question. Let me just give a brief overview of the schemes which are there. There are two tracks of the restructuring schemes. One is the merger of recently acquired units under IBC, which is Dalmia DSP Limited and Murli, which need to be merged with Dalmia Cement (Bharat) Limited. And second track is regarding divestment of the factory assets. I'll cover these one by one. So with respect to the Dalmia DSP and Murli merger, the respective companies' boards, they had approved the schemes in their meetings held in March '21, and afterwards these were filed with the respective NCLTs, and there are three NCLT's involved because of the three companies being there. So, DCBL in Chennai NCLT, Dalmia DSP in Kolkata NCLT, and Murli in Maharashtra, Mumbai NCLT. So, as far as Mumbai NCLT is concerned, they have given permission to go ahead without convening any meeting of the creditors or shareholders, so they have dispensed with this, these meetings. And Chennai NCLT, they have given dates of 8th and 9th November for convening the meetings of the creditors for the two schemes of DDSPL and as well Murli. And Kolkata NCLT, they had fixed a date of 10th September wherein the creditors' meetings were held, and they approved it. Now, the rest of the process will follow, and we expect that these schemes should get approved in the quarter ending March, definitely before the year end.

And coming to the second track of schemes which are for divestment of the factory division, there the final approval is pending, and the last meeting held on September, the matter got adjourned. Now it's 31st October. So we hope that as and when the next meeting is held, we should get the approval. So, definitely in the coming quarter. That is all the status as of now.

Moderator: Thank you, sir. We would now move on to our next speaker, Mr. M. Desingu from Tiruchirappalli. Mr. M. Desingu, request you to kindly unmute yourself, switch on the camera and proceed with asking the question, please. Sir, we have not received any input from Mr. M. Desingu. We would move on to our next speaker, Mr. M. S. Gopalakrishnan from Chennai. Mr. M. S. Gopalakrishnan from Chennai, I would request you to kindly unmute yourself, switch on the camera and proceed with asking your question, please. Mr. M. S. Gopalakrishnan.

Mr. M. S. Gopalakrishnan: Respected Chairman sir, I'm Gopalakrishnan from Chennai. I'm really thankful to the management for holding this virtual AGM and care and concern expressed by the company towards the shareholders is commendable. I have one query relating to loss of mutual fund units. As per the Annual Report, there had been illegal and fraudulent transfer of mutual fund units valued at Rs. 374 crores which the company has received back. Can you clarify, is there any further risk or mitigation on this or not? Thank you.

Mr. Dharmender Tuteja: Thank you, Gopal, for your question. I think I'll have to give slight history or background in terms of what has happened in this case. In February 2019, DCBL had launched complaint with SEBI as well as EOW against this fraudulent transfer of the mutual funds. EOW had filed a chargesheet that was in November 2019 against Allied, its MD, ISSL, and their business head. And currently, both MD of Allied as well as business head of ISSL, they are under the judicial custody and SEBI also, when they gave the order in July 2021, they found Allied guilty of violations of the provisions of SEBI regulations. And they imposed penalty of about six crores upon Allied and their directors. And they also restrained Allied and its MD from entering or accessing security markets directly or indirectly, for a period of seven years. And SEBI also found ISSL guilty for unfair trade practices and facilitating fraud, including violation of SEBI regulations, and they imposed a penalty of 26 crores upon ISSL. They also have been restrained from acquiring any new clients for a further period of two years. These investigations conducted by EOW and SEBI and followed by the observations made by Supreme Court in their order, which was issued in March 2021, they all confirmed that the ownership of mutual fund units undisputedly belongs to the DSBL. Pursuant to the Supreme Court order, ISSL has already released mutual funds units in favour of the DCBL, and currently the matter is in Supreme Court, but we do not expect any issue. Thank you.

Moderator: Thank you, sir. We move on to our next speaker, Mr. C. Ramesh Babu from Tiruchirappalli. Mr. C Ramesh Babu, you are requested to kindly unmute yourself, switch on the camera and proceed with asking the question, please.

Mr. C. Ramesh Babu: Respected Chairman sir, I'm Ramesh Babu from Tamil Nadu. I'm a shareholder for more than 35 years. My query is, what is being done by the company to encounter the additional cost impact due to the rise in price of coal and Petcoke?

Mr. Dharmender Tuteja: Yeah, in fact, currently, we are witnessing very high inflation on the energy side, which is imported coal as well as Petcoke. They are at record-high levels. And we have been able to limit the adverse impact of these cost increases mainly by improving usage of the alternate green fuels, which are normally available either at negative or at a very low cost. And usage of green fuels, which was around 8% last year, has already touched about 17 to 18% and will increase further in the coming months. Besides this, we also are increasing the usage of the domestic coal and lignite wherever it is available near our plants, as their costs are much lower compared to the cost of imported Petcoke and imported coal prices. And also, we are also increasing the share of the blended cement, which uses lesser clinker, and less clinker has the impact of the high fuel costs. So that also is helping us to keep our costs lower. Thank you.

Moderator: Chairman sir, anticipating that there might be some technical difficulties, Mr. Ganesan M. has sent across a pre-recorded video of his question. With your permission, I'm playing the same.

Mr. Ganesan M.: Respected sir, I am Ganesan from Trichy. Could you please update about [\[echo throughout this section 43:35\]](#) cost and benefits from these?

Mr. Dharmender Tuteja: I think, what I could understand is, I think he is asking about our recent acquisitions. So, most recent has been the Murli Industries under IBC route last year. So, Murli has an integrated cement manufacturing plant with an installed clinker capacity of about 2 million tonnes and cement capacity of 3 billion tonnes in Chandrapur district of Maharashtra, and they also have a thermal power unit of 50 megawatt, and they also have paper and solvent extraction units, which the company is currently in the process of disposal. And acquisition of Murli is definitely going to help the group to consolidate our footprint in the Western Region. And currently, the company is in the process of final revamping of the entire plant, and we expect to start the commercial production in the coming quarter. And we expect this plant to become profitable in the coming financial year. And, prior to Murli, the last acquisition which we did was Kalyanpur Cement, currently named as Dalmia DSP Limited, which was done in 2018-19. There also, we have revamped the plant and increased its clinker capacity from 0.5 million to 0.8 million and mid cement operations also, much more current technology plant, and that also plant has turned into profit from last financial year. And this will help us to further increase our footprint and market share and presence in the state of Bihar and Eastern Region. Thank you.

Moderator: Thank you, sir. The last speaker who had sent across his registration as well as his video in case of a technical difficulty, is Mr. M. Desingu. I would request your permission to play the same. Thank you, sir.

Mr. M. Desingu: Good morning, sir. Respected Chairman Sir, I am Desingu from Dalmiapuram. I am the shareholder of this company for the past 30 years. The company has made a capital allocation policy and recently announced regarding investment proposal for the company [disturbance 45:55]. Can you please update about the company's expansion plans? Thank you, sir.

Mr. Dharmender Tuteja: Thank you, Desingu. So, it was partly covered in our presentation, but let me reiterate that in line with our strategy to increase our capacity to about 110 to 130 million tonnes, the group has already announced the plans to increase cement capacity from 30.75 million tonnes to 48.5 million tonnes by March '24. That means the next three years will add about 18 million tonnes of cement capacity. Also, we'll increase the clinker capacity from 18.68 million to 23.4 million tonnes in the same period of three years. So this entire increase of 4.7 million tonnes, increase of clinker capacity, this is by de-bottlenecking the capacities of our existing clinker plants at various locations. And cement capacity expansions comprise of a couple of elements. One is the ongoing expansion plans which are continuing at Murli, Kapilas, and Bihar. They add up the capacity of about 7.8 million tonnes. The Greenfield units which will come up in South will add another 3 million tonnes. There will be de-bottlenecking of capacities at existing plants, which all will add up to about 5.2 million tonnes. And the Brownfield expansion is one of our East Zone plants, that will increase capacity by 1.7 million. So adding up to all, 18 million tonnes. And all these expansions are expected to have a capital outlay of about 9000 crores. Thank you.

Moderator: Thank you, sir. With that, we have provided opportunity to all the registered shareholder speakers. I would hand it back to the Board to continue with the rest of the session. Thank you, sir. Chairman sir, you're currently on mute. I request you to kindly unmute yourself, please. Thank you, sir.

Mr. Pradip Kumar Khaitan: Thank you, Mr. Bhaskar and Mr. Tuteja. While the members may vote for up to 15 minutes more, I request and authorize Dr. Sanjeev Gemawat, Company Secretary, to declare

the results of the voting upon receipt of the Scrutinizer's Report by placing the same on the website of the company and filing with the stock exchange at the earliest. On my personal behalf, and on behalf of my fellow board members, I would like to thank all of you once again for attending the AGM. I wish you all the very best. Take care and stay safe.

Dr. Sanjeev Gemawat: Thank you, sir. Sure, sir. Thank you all for attending this meeting. I would like to take this opportunity to place on record a heartiest thanks on behalf of the company, and on my own behalf, to the Chairman, the board members, management team, auditors, scrutinisers, and the members of the company for making this AGM a success, and my sincere appreciation for providing full support to this event. My special thanks to KFintech team for the technical support in making this event happen. Thank you once again, wishing you all the very best. Thank you.