

Chairman's Letter

KUSHAGRA BAJAJ

Dear Shareholders,

I am pleased to present the 91st Bajaj Hindusthan Sugar Annual Report FY22-23, which not only encapsulates the accomplishments of your company but also sheds light on the extraordinary progress made by the company in last year. In this address, I would like to highlight the significant contributions made by us in the ethanol sector and the potential for its further growth in the coming years.

Your company is the leading player in Indian sugar and ethanol market. This year saw further consolidation of its position in the market. The Indian sugar industry during the year has slated to take a dip, with sugar production reaching approx. 32.8 million MT as against the record sugar production of 35.8 million MT during the year 2021-22. The industry faced several challenges, but the sector, helped a great deal by government's continued push to ethanol, has managed to continue its growth trajectory.

During the financial year, your company's revenue stood at INR 6,319.34 crore. It has managed to deliver a solid performance in a tough business environment by focusing on innovation, sustainability, and excellence



in all aspects of their operations. Maintaining strong partnerships with their stakeholders, including sugarcane farmers, government agencies, and employees has further helped. This positive financial performance is a testament to the hard work and dedication of our employees who have worked tirelessly to ensure that we remain competitive in a challenging business environment.

We have significantly increased our industrial alcohol/ethanol production during the fiscal year, reaching an impressive volume of 1,88,609 kilolitres. This achievement is a testament to our unwavering commitment to embracing sustainable practices and contributing to the national energy security.

Ethanol is what the doctor ordered....

The ethanol market presents an exciting opportunity for the Indian sugar industry. Ethanol has become an increasingly important source of fuel globally, and India has set ambitious targets to increase the use of ethanol in transportation. We view the ethanol market as a significant growth area for our industry, and your company is well-positioned to capitalize on this opportunity.

The Indian ethanol industry has been growing steadily in recent years, offering promising opportunities for the sugar industry. Ethanol production has become increasingly important as a means of diversifying revenue streams and reducing dependence on sugar sales. At a wider level, the increased production of ethanol in India can have a positive impact on the broader economy beyond just the sugar industry. Ethanol production can help reduce India's dependence on foreign oil imports and improve energy security, which can have significant economic benefits.

Additionally, increased ethanol production can create new job opportunities and stimulate

economic growth in rural areas where sugarcane is grown. By producing ethanol, India can also reduce its carbon footprint and contribute to global efforts to combat climate change, which can have long-term economic and environmental benefits. Overall, the increased production of ethanol can lead to a more sustainable and prosperous future for India. By producing ethanol, India can also reduce its carbon footprint and contribute to global efforts to combat climate change, which can have long-term economic and environmental benefits. The increased investment in ethanol infrastructure, coupled with tax incentives and subsidies, has created a favourable environment for the ethanol industry to flourish.

As such, the Indian ethanol industry holds great promise for the future of the country's sugar industry. The industry is well-positioned to take advantage of this trend, and within it, none better poised than your company. There are challenges, which I'm sure will be overcome as we go along.

Brazil, a great example...

Brazil serves as a case study of a country that has successfully developed its ethanol industry. The Brazilian government's long-term commitment to ethanol production has led to the establishment of a robust and sustainable ethanol industry, which has created jobs and added value to the economy. We believe that India can follow a similar path and become a global leader in ethanol production.

Brazil's ethanol success story is an inspiring example of what can be achieved when a country makes a commitment to energy independence. Beginning in the 1970s, Brazil made a conscious effort to develop its domestic ethanol industry in order to reduce its reliance on imported oil. The government introduced

a range of tax incentives and subsidies to encourage the production and use of ethanol, and by the 1980s, ethanol had become a popular fuel choice for Brazilian drivers.

Today, Brazil is the world's second-largest producer of ethanol, with an annual production capacity of over 30 billion litres. Ethanol now accounts for around 40% of all fuel consumed in the country, and Brazil has become a global leader in the development of biofuels and renewable energy technologies.

The success of the Brazilian ethanol industry has had a significant impact on the country's economy and environment. It has created thousands of jobs in rural areas and helped to support the livelihoods of millions of farmers. It has also reduced the country's dependence on foreign oil, which has helped to improve the country's balance of payments and reduce its vulnerability to fluctuations in global oil prices.

The Brazilian ethanol success story serves as a powerful reminder of the importance of investing in renewable energy technologies and promoting sustainability. By making a commitment to these goals, countries can not only create economic and social benefits for their citizens but also contribute to a more sustainable and equitable global future. Our country seems to be on the right track.

The current government's unwavering commitment to promoting ethanol production and use since 2014 is a beacon of hope for sustainable development in India. The government's proactive policy measures, such as the National Biofuel Policy and the Ethanol Blending Programme, have helped to incentivise producers and boost industry growth. The increased investment in ethanol infrastructure, coupled with tax incentives and subsidies, has created a favourable environment for the ethanol industry to flourish. The government's push towards ethanol has

not only reduced the country's dependence on fossil fuels but also contributed to reducing air pollution and improving public health. The government's leadership in promoting sustainable alternatives to traditional fossil fuels deserves applause and sets a positive example for other countries to emulate.

I would like to take this opportunity to express my gratitude to all our stakeholders, without whom this success would not be possible. I would especially like to thank the lakhs of sugarcane farmers who have partnered with us over the years. We recognize that they are the backbone of the sugar industry, and we are committed to working together with them to ensure that our partnership remains strong and mutually beneficial. My appreciation to our partners, state and central government agencies, and employees as well for their continued support and dedication to our business. Their commitment has been critical to our success, and the industry's success.

Your company in its 90 years of existence has played a significant role in the development of the sugar industry in India and has contributed to the growth of the country's economy, and you have my assurance it'll continue to do so in future as well.

In conclusion, I am proud of what we have achieved this year, but I am even more excited about what lies ahead. With our strong commitment to sustainability and innovation, and indeed, the ideals of trust and respect for human life and care for environment, your company is well positioned to make the most of the opportunities that lie ahead. We look forward to delivering even greater value to our stakeholders in the years to come.

Sincerely,

Kushagra Bajaj