BALRAMPUR CHINI MILLS LIMITED

CIN - L15421WB1975PLC030118
Reg.Off. : FMC Fortuna, 2nd Floor, 234/3A, A. J. C. Bose Road, Kolkata - 700 020
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18th February, 2024

National Stock Exchange of India Limited Listing Department 'Exchange Plaza', C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	**BSE Limited** The Corporate Relationship Department 1st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400001.
Symbol: **BALRAMCHIN**	Scrip Code: **500038**

Dear Sir/Madam,

Reference: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: Outcome of Board Meeting

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company, in its meeting held today i.e. on 18th February, 2024, has accorded its approval to the Company:

To enter a new line of business to manufacture Polylactic Acid (PLA), to be used for production of bioplastic

The government has been actively advocating for sustainable business practices in various forums, emphasizing the urgency of combatting climate change impacts on the environment. Measures such as the prohibition of single-use plastics have been implemented to reduce carbon footprints. **In the 2024 Budget, a significant step towards promoting green growth is highlighted with the introduction of a new scheme for bio-manufacturing and bio-foundry. This initiative aims to boost environmentally friendly alternatives like biodegradable polymers, bio-plastics, bio-pharmaceuticals, and bio-agricultural inputs.** The overarching goal is to transform the current linear consumption manufacturing paradigm into one grounded in circular and regenerative principles.

This strategic shift is reflected in our engagement with Polylactic Acid (PLA) and bioplastics using sugar as a raw material. Recognizing a unique opportunity, PLA offers dual benefits as a bio-based and biodegradable[1] material, presenting a sustainable substitute for conventional plastics in various applications. This aligns seamlessly with our commitment to environmentally conscious practices and synergizes with our existing business model, contributing to a more sustainable and responsible approach to manufacturing.

[1] *ISO 17088:2021 Plastics – Organic recycling – Specifications for compostable plastics*

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Appointment of Mr. Stefan Barot as the President (Chemicals) in the category of Senior Management Personnel of the Company with effect from 1st March, 2024

The requisite information as required under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 is enclosed in **Annexures**.

Further the said meeting commenced at 1.30 p.m. and concluded at 2.30 p.m.

Thanking you,

Yours faithfully,

For Balrampur Chini Mills Limited

MANOJ AGARWAL
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Date: 2024.02.18 14:32:19 +05'30'

Manoj Agarwal
Company Secretary & Compliance Officer

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Annexure A

(with regard to setting up of new line of business)

Industry or area to which the new line of business belongs to;	The new line of business belongs to manufacture of Polylactic Acid (PLA) to be used for bioplastics.
Expected benefits;	The expected benefits from the PLA project are significant, emphasizing that bioplastics are gaining momentum. The investment into PLA is seen as a substantial opportunity for the Company to achieve growth. Importantly, PLA is a non-toxic and environmentally friendly material. The current production of PLA in the US and Thailand, produces 68 percent lower greenhouse gases, consumes 65 percent less energy than the production of conventional plastics, and is toxin-free. In COP28, our Hon'ble Prime Minister Narendra Modi underlined India's commitments of cutting the emissions intensity of India by 45% and increasing the share of non-fossil fuels to 50% by 2030 and achieving net zero by 2070. Our PLA venture is aligned with the sustainability goals as envisaged by our Hon'ble PM for combatting climate change. The rationale of the project is further explained in **Annexure B.**
Estimated amount to be invested;	The Board of Directors have approved an estimated investment of Rs. 2000 crores (Rs. 800 crores to come from internal accruals and Rs. 1200 crores through debt) in phases over a period of around 2.5 years.

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Annexure B

Rationale for the Project:

The global primary plastic production is currently ~400 Mio t/a with a market value of about a trillion US$ - plastic are used in all main applications of life. Despite their usefulness, traditional fossil-based plastics represent the linear and are not a circular economy.

In a circular and sustainable world, carbon-source such as sugar and starch are natural raw-materials and are also bio-based.

With an objective to reduce the environmental footprint, material needs to be designed with safety, circularity and its "end in mind" and when a product can no longer be safely re-used, it needs to be either mechanically, chemically or organically recycled. This aspect of circularity is of increasing importance and bioplastics such as PLA offer a clear advantage versus traditional fossil-based plastics. PLA is both bio-based and biodegradable. Further, PLA will degrade fast under the hot and humid conditions of India.

Polylactic Acid (PLA) is a linear thermoplastic aliphatic polymer, amorphous to semi-crystalline and hydrophilic and biodegradable. The current production of PLA in the US and Thailand, produces 68 percent lower greenhouse gases, consumes 65 percent less energy than the production of conventional plastics, and is toxin-free. This makes PLA a non-toxic and environmentally friendly material.

The physical and chemical properties of PLA enable its neat application or in compounds over a wide range of areas such as in disposable tableware, agricultural mulch films, planter boxes, water bottles, straws and in packaging. In addition, implantable biomedical devices are also an option.

India is a biomass rich country, with its agricultural base, it has the raw materials to produce bioplastics which will generate many jobs in farming and industry, also allowing to reduce fossil-based fuel imports and overall reduce CO2 emissions. Biodegradable plastics will enable a cheaper and less polluting alternative to get to a circular economy for India. Legislative frame-work making mandatory usage of bio-polymer will be the key driver. As a first application to start with, policy needs to be framed in this direction to make mandatory usage in Airports, Indian Railways.

In India, current SUP (Single Use Plastic) consumption, mostly for packaging, is ~5 Mio t/a and growing strongly year by year. Roughly half of all plastics are used in packaging and specifically in food packaging. Most of this volume and these applications can be replaced by PLA and PLA compounds.

Having said that, PLA (Polylactic Acid) has gained notable traction in India, finding applications in diverse sectors. Renowned brands like Starbucks, Costa, and others have incorporated PLA for items such as straws, cups, stirrers, and lining for paper cups. In the textile industry, major players like Aditya Birla are leveraging PLA compounds for garment packaging. Notably, the Defence Research and Development Organization (DRDO) has recently adopted PLA for water bottles. Additionally, household names like Amul are

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utilizing PLA straws, with plans to extend its usage to packaging soon. These examples represent just a sliver of the existing and growing adoption of PLA by various entities in India.

There are a limited number of PLA producers, very few with a full integration from biobased raw materials to PLA. The main global players are:

(1) NatureWorks with 150 kt in USA and a 75 kt plant under construction in Thailand,
(2) TotalEnergies-Corbion 75 kt in Thailand and
(3) Futerro 100 kt in China.

There are several additional smaller players especially in China and an upcoming project in the Middle East.

Despite the government's commitment to the plastic waste management agenda and the seriousness of regulations, progress has been hindered by a lack of production capacity, preventing the implementation of further measures. As of July 1, 2022, the Plastic Waste Management (PWM) – 2021 Amendment prohibits the production, import, storage, distribution, sale, and use of single-use plastics, including polystyrene and expanded polystyrene items. Nineteen items have been identified and banned under this amendment, and the Rajasthan High Court has recently classified Polyethylene Coated Paper Cups as single-use plastics.

The global PLA market is ~300-400 kt/a growing strongly often driven by national legislation.

We will construct a "state-of-the-art" PLA factory with a capacity at "global" scale of 75'000 t/a. The new plant will be located on a "greenfield site" beside one of our existing sugar plants where lot of the local infrastructure already exists which can be used to accelerate the plant construction. Raw material for PLA production is sugar. Proximity to our existing unit will be a big advantage with respect to continuous availability of sugar and bagasse (energy) for the project.

Since we will be the first industrial bio-plastic plant in India it will also send a very strong signal to Indian policymakers and the market.

The project is expected to be completed within 30 months.

Recently, we acquired a minority stake in Konkan Speciality Polyproducts Private Limited (Konspec) to bolster the market presence of PLA (Polylactic Acid) in the country. Konspec stands out as a prominent player in the realm of specialty polymers & bio-polymers, intermediaries, and chemicals. Notably, Konspec is a key user and facilitator of PLA in India, where PLA is predominantly utilized as a compound.

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Annexure C

(with regard to appointment of Senior Management Personnel)

Name	Mr. Stefan Barot
Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise;	Appointment of Mr. Stefan Barot as President (Chemicals) in the category of Senior Management Personnel.
Date of appointment/ reappointment/ cessation (as applicable) & term of appointment/ re-appointment	1st March, 2024
Brief profile (in case of appointment);	Mr. Stefan Barot comes with a wealth of experience of over 35 years including 13 years in bio plastic industry. He gracefully concluded his role as President of the EU Bioplastic Association to join us and relocate to India. Mr. Barot's skill set includes proficiency in analysing complex situations, developing customer-centric processes, building motivated teams, and fostering clear communication to drive effective action. His prior role as CEO at BIOTEC (Germany), demonstrated tangible results, including the establishment of a successful business development department, leading to the development of five new products and new patents in just three years. Furthermore, he optimized organizational efficiency, enabling scalability without additional resources, and cultivated a culture of risk-taking and innovation. Prior to that in his capacity as Global Director PLA at PURAC BIO-CHEMICALS, CARBION and TOTAL-CARBION PLA (Netherlands), Mr.

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	Barot's was responsible for PLA (Bio-Plastics) business globally and for Asia Pacific. His achievements included negotiating multimillion-dollar partnerships, tripling the value of a key product to $4 million annually, and expanding the customer base. He also championed sustainability initiatives, developing value chains for sustainable bio-plastic solutions and actively engaging with stakeholders to pioneer bioplastic value chains. Prior to that he has worked in different capacities in reputed companies in Basel, Shanghai, Korea, Japan and Switzerland which has contributed to him becoming a domain expert on bio-plastic.
Disclosure of relationships between directors (in case of appointment of a director)	Not Applicable

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