

ND/SY/ 3505

July 13, 2022

Bombay Stock Exchange Limited  
New Trading Ring,  
Rotunda Building, P J Towers, Dalal  
Street, Fort Mumbai-400001  
Scrip Code: 500097

National Stock Exchange of India Limited  
“Exchange Plaza”, Plot No. C-1, Block G  
Bandra – Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Symbol: DALMIASUG

**Subject: Annual General Meeting, Record Date and Annual Report**

Dear Sir(s),

This is to inform you that the 70<sup>th</sup> Annual General Meeting (“**AGM**”) of Dalmia Bharat Sugar and Industries Limited (“**Company**”) is scheduled to be held on Thursday, August 04, 2022 at 10.30 am IST through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 42 of SEBI Listing Regulations, this is to inform you that the record date / cut-off date for the purposes of AGM and dividend is July 28, 2022.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), attached is the notice of the AGM and Annual Report of the Company for the Financial Year 2021-22.

Further, pursuant to Regulation 30 of SEBI Listing Regulations, this is to inform you that the notice of the AGM and the Annual Report of the Company has also been dispatched to the Shareholders today, July 13, 2022 and uploaded on the Company’s website at <https://www.dalmiasugar.com/investors/>.

Thanking You,

Yours faithfully,

For **Dalmia Bharat Sugar and Industries Limited**



**Aashhima V Khanna**  
**Company Secretary**  
**Membership No.: A34517**

***Dalmia Bharat Sugar and Industries Limited***

11<sup>th</sup> & 12<sup>th</sup> Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi – 110001, Delhi, India

T + 91 11 23465100 W [www.dalmiasugar.com](http://www.dalmiasugar.com) CIN: L15100TN1951PLC000640

Registered Office: Dalmiapuram, District Tiruchirapalli – 621651, Tamil Nadu, India

A **Dalmia Bharat Group** company, [www.dalmiabharat.com](http://www.dalmiabharat.com)

CC:

**1. National Securities Depository Limited**

Trade World, 14<sup>th</sup> Floor, Kamla Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

**2. Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor,  
Dalal Street Mumbai – 400 001

**3. KFin Technologies Private Limited**

Karvy Selenium Tower B, Plot No. 31 & 32,  
Gachibowli, Finance District, Nanakramguda,  
Hyderabad – 500 032

***Dalmia Bharat Sugar and Industries Limited***

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accelerating  
towards a green future

**Dalmia Bharat Sugar and Industries Limited**  
Integrated Annual Report 2021-22

Contents

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| Who we are?                                                                      | 02 |
| Vision, Mission, and Values                                                      | 03 |
| Operational and Strategic Highlights                                             | 04 |
| Our Geographical footprint                                                       | 06 |
| Our Value Creation Business Model                                                | 07 |
| Responding to Covid-19                                                           | 09 |
| MD Message                                                                       | 10 |
| About our Integrated annual report                                               | 13 |
| Creating Value                                                                   | 14 |
| Value We Create for Society                                                      | 14 |
| Material Issues Impacting Value Creation                                         | 15 |
| Risk Management                                                                  | 17 |
| Financial Capital: Managing Finances Prudently                                   | 20 |
| Our Business                                                                     | 24 |
| Manufactured Capital: Focussing on Operational Excellence and Quality Leadership | 25 |
| Management Approach                                                              | 25 |
| Production Capacity                                                              | 26 |
| Enhancing Resource efficiency                                                    | 27 |
| Expanding Manufacturing Capital                                                  | 29 |
| Natural Capital: Sustainable Value Chain                                         | 30 |
| Reducing emissions and conservation of resources                                 | 32 |
| Safeguarding water                                                               | 37 |
| Minimizing Waste                                                                 | 39 |

|                                                                     |     |
|---------------------------------------------------------------------|-----|
| Intellectual Capital: Building Competitive Edge with Innovation     | 40  |
| Human Capital: Building a Diverse, Future-Ready Workforce           | 42  |
| Management Approach                                                 | 44  |
| Performance Management                                              | 44  |
| Safeguarding our Talents                                            | 45  |
| Our Performance                                                     | 46  |
| Social and Relationship Capital: Contributing to a Thriving Society | 46  |
| Management Approach                                                 | 47  |
| Nurturing relationships with key stakeholders groups                | 48  |
| Alignment of our CSR programs with UN Sustainable Development Goals | 49  |
| Securing Value through Corporate Governance                         | 52  |
| Governance structure                                                | 52  |
| Management Discussion and Analysis                                  | 54  |
| Statutory reports                                                   | 64  |
| Notice of Annual General Meeting                                    | 64  |
| Directors report                                                    | 71  |
| Corporate governance report                                         | 90  |
| Business responsibility and sustainability report ( BRSR)           | 106 |
| Financial statements                                                | 136 |
| Standalone Financial statements                                     | 137 |
| Consolidated Financial statements                                   | 206 |

**Forward - looking statement**  
In this Integrated Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report contains forward-looking statements that set out anticipated results based on the DBSIL's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or

otherwise. Unless defined/provided otherwise elsewhere in this Integrated Report, the term 'DBSIL/Dalmia Sugar/ Company' mentioned in this Integrated Report refers to the Company- Dalmia Bharat Sugar and industries llimited.



Accelerating towards a Green Future

**Forging new paths in an established traditional business entails envisioning, contemplating and implementing new structures and functions and, most importantly, walking the reinvented path with fortitude and steadfastness.**

At Dalmia Bharat Sugar and Industries Limited (Dalmia Sugar / DBSIL/ Company), we take pride in accelerating towards the new path of a green future that we have set for ourselves over the past two years.

With a renewed focus on efficiency in our traditional business while doubling our efforts towards the growth of new businesses like Ethanol and consumer goods is a shining example of the mettle the Company has exhibited in rising to the occasion in the face of changes that are impacting the sugar business.

The Company formed an ESG roadmap in the financial year 2020-21, which forms the basis of the green growth paradigm that it is trying to accelerate towards. The roadmap was created with an emphasis on four focus

areas, each aligned with our commitment. We grouped material topics into the pillars of ESG focus areas. Our focus areas are - Empowering People, Responsible Consumption, Responsible Growth and Business Ethics and Sustainable Business Practices. The focus areas have their key performance indicators and targets. The respective KPIs in the focus areas can be checked from the Sustainability Report of the Company of financial year 2020-21.

In continuation, this First Integrated Annual Report of DBSIL comprises the presentation of the glimpses of the paths that we have walked over the past year(s) to realise this strategy and the lofty goals that we have set for ourselves in the next and subsequent years to come.





# Who we are



## Vision, Mission, and Values

DBSIL is one of the youngest major sugar companies in India and one of the fastest-growing cane-based multi-product companies in India. We have earned sustained profits and created value for all stakeholders even during the worst of the times and are now accelerating towards a green future, a paradigm encompassing the following: Empowering People, Responsible Consumption, Responsible Growth and Business Ethics and Sustainable Business Practices.



### Vision

Vibrant growth under a strong value embedded environment with strong impetus on value creation for all the stakeholders.



### Mission

To be among the Country's top five sugar companies in respect of total revenue coupled with a strong impetus on value creation to drive the highest Return on Capital Employed (ROCE) in the industry.



### Values

#### Integrity

Be true to yourself and others.

#### Commitment

The will to transform a promise into a reality.

#### Trust & Respect

To earn respect and gain trust of the stakeholders.

#### Humility

Not servile, but humble. After all, humility is my ultimate strength.





# Operational and Strategic Highlights



At DBSIL, FY22 proved to be a validation of our goals, strategy, and commitment to be able to create value in the lives of those who matter. Together with everyone, we were able to not just transcend the challenges of operating in a new business environment, but also accelerate our strides in the agile transformation and impact creation journey.

## Achievements during the year

- Brownfield projects successfully and punctually commissioned including expansion of the sugar capacity at Jawaharpur and Nigohi units along with a refinery at Jawaharpur despite the COVID pandemic.
- Ramgarh distillery of 140 KLPD commissioned
- Jawaharpur and Kolhapur distilleries expanded to 220 KLPD and 120 KLPD, respectively.
- Diverted around 1.6 LMT (i.e. approximately 25% of total sugar) towards ethanol, highest in the industry.
- Highest ever ethanol production and sales.
- Highest ever sugar exports of 2.3 LMT.



## Financial milestones: HIGHEST EVER

3080  
Turnover, Rs. Crore



380  
PBT, Rs. Crore



295  
PAT, Rs. Crore



## Operational milestones

Sugar sales at 6.08 LMT, including the highest ever export at 2.30 LMT.

Distillery production at 11.71 Crore Litres.

Distillery sales at 11.19 Crore Litres.

Highest ever crush of Maharashtra units at 15.77 LMT.

Normative sugar recovery blended for Uttar Pradesh and Maharashtra, at number one for pan-India.



## Our Geographical footprint



### Our licensed capacities

| Manufacturing Units | Cane crushing capacity – TCD | Ethanol (KL/day) | Co-generation ( MW) |
|---------------------|------------------------------|------------------|---------------------|
| Ramgarh             | 7500                         | 140              | 28                  |
| Jawaharpur          | 9000                         | 220              | 33                  |
| Nigohi              | 10000                        | 120              | 30                  |
| Kohlapur            | 9000                         | 120              | 28                  |
| Sangli              | 3500                         | 0                | 4                   |
| Total               | 39000                        | 600              | 123                 |

## Our value creation business model

We have a robust strategic framework that enables business transformation along the vectors of sustainability and good health. They help us respond effectively to the changes in the operating environment and the needs and expectations of our stakeholders to ensure sustained value creation for all.



### The resources we use

#### Financial Capital

We ensure prudent financial management practices and leverage our business model to strengthen the Balance Sheet and sustain growth.

#### Manufactured Capital

We invest in new capacities and maintaining existing ones to manufacture quality products and in building inbound/ outbound logistics to ensure an efficient supply chain. These investments also help manage our environmental footprint.

#### Intellectual Capital

We are strengthening our competitive edge by making sustained R&D investments at our innovation centers for cane development, collaborating with scientific institutes, and investing in digital technologies to enhance operational efficiency.

#### Human Capital

We provide training and skills to create a pool of result-oriented, innovative people with diverse skillsets to operate a business efficiently. We also undertake initiatives around inclusivity, safety and leadership development.

#### Social and Relationship Capital

We integrate the needs of our stakeholders (customers, suppliers, community, government) and invest in various welfare initiatives, processes, and technologies to strengthen relations and build trust.

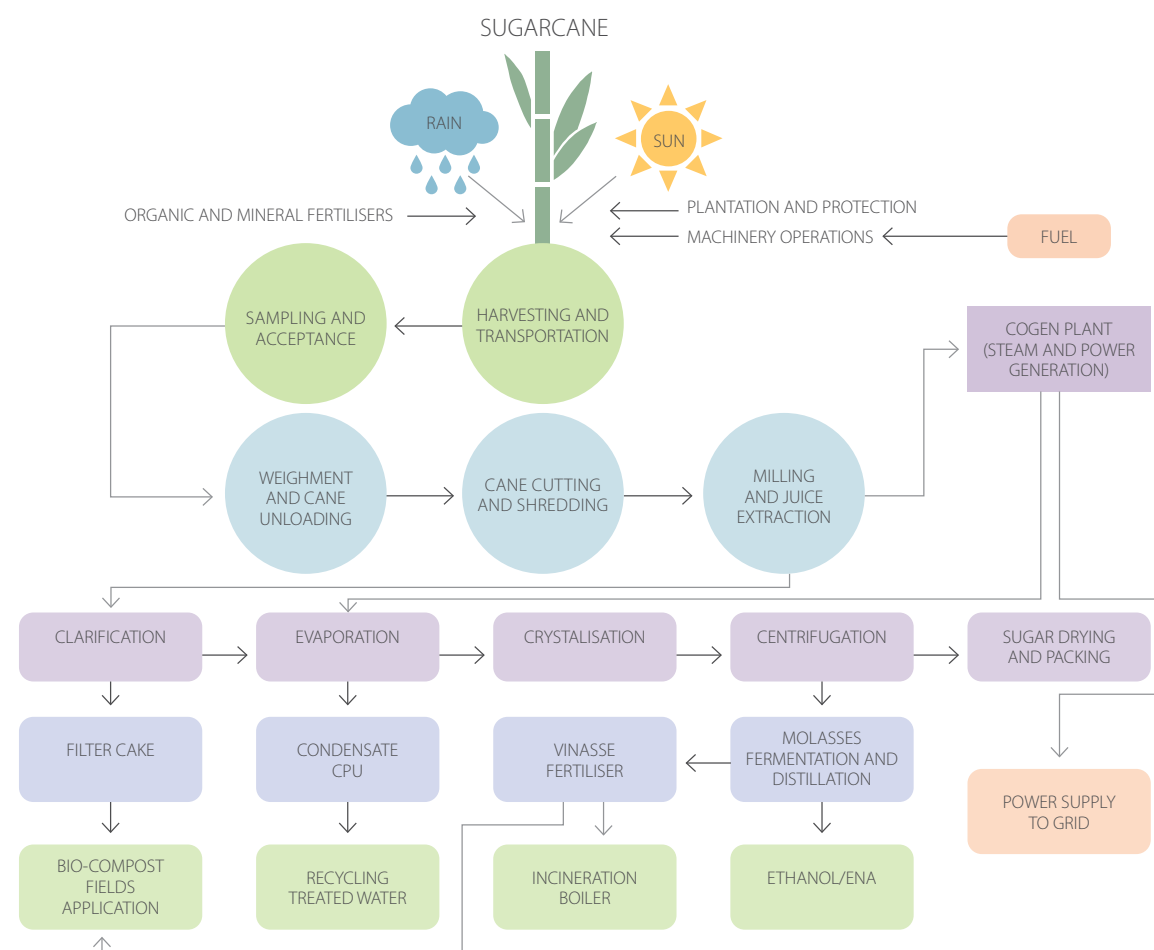
#### Natural Capital

We sustainably use resources and actively invest in sustainable technologies to promote a circular economy and reduce our environmental footprint.





## Value creation



## Outputs

### Financial Capital

Responsible financial growth and shared profitability

### Intellectual Capital

Differentiating solutions through responsible innovation

### Human Capital

Recruiting, developing and caring for diverse and inclusive workforce

### Natural Capital

Preserving biodiversity and renewable resources, reducing water and energy consumption, emissions and waste

### Manufactured Capital

New site openings, acquisitions, sustainable products produced and sold

### Social and relationship Capital

Livelihood (regenerative and sustainable sugarcane farming & skilling), climate action (water harvesting & energy) and social Infrastructure

## Responding to Covid-19



At DBSIL, we take pride in how we responded to the unprecedented challenges of COVID-19. In a year that was extremely demanding, we responded with discipline, agility and resilience—all characteristic traits of our Company.

### Going the extra mile during a pandemic

An unpredictable event whose impact lasted for more than two years, it to severe global financial market turmoil and increased volatility. In India, the markets have shown some resilience and are recovering sharply. At DBSIL, we responded to the emergency with agility. The Company continued production across all its sugar, power and distillery plants, while ensuring the health and well-being of plant workers and employees by

implementing social distancing, hygiene practices, deep cleansing, and work-from-home as per Government guidelines.

### Initiatives to support our stakeholders

- Employee engagement, digital training to employees, and social participation.
- Safety and well-being protocols for medical infrastructure
- All units operating with social distancing and safe practices with optimal strength required.
- Donation(s) to Centre and State funds and other organizations
- Donation of two oxygen plants to hospitals in Uttar Pradesh

• Distribution of sanitizers to hospitals, farmers and various organizations

• Spreading awareness among farmers and villages around plant locations

• Enabling work-from-home and strict adherence to COVID-appropriate behaviour

• Establishment of isolation & treatment (for mild cases) facilities at manufacturing locations

• Vaccination of executives

In keeping with the attribute of DBSIL, we are continuing to deepen and broaden our efforts in timely response to the evolving nature of the pandemic.





## Managing Director's Message

# Accelerating towards a green future



## Dear shareholders,

It is our privilege to write to you and present this Integrated Annual Report for FY 2021-22. I hope this letter finds you safe and in good health. Amid the extraordinary conditions in which we had to operate, FY 2021-22 was undoubtedly transformative. The excellent results we achieved are a testament to the growth potential of our markets, our focus on customer experience, and, most importantly, the dedication and commitment of our people.

### We advanced materially in our operation resilience strategy

We have been embedding sustainability across the value chain, from sugarcane sourcing, efficient operations, minimizing waste generation and optimal energy consumption right up to supporting community initiatives. We strive to provide the most accurate and transparent account of these initiatives in this report.

The Company reported a record performance in FY 2021-22, marked by its highest-ever revenue, profit before tax, profit after tax and exports. The Company strengthened revenues complemented by a 9% increase in profit after tax. This improvement was the result of the Company's commitment to increase exports, strengthen operating efficiency, moderate working capital outlay, reduce debt, sustain distillery operations and strengthen value for all stakeholders.

Our Company has been successfully sustainable in profit-making and enhancing stakeholders' value in the last financial year. DBSIL could withstand volatility because of its inherent strengths developed in the course of time with a tremendous focus on cane development activities, manufacturing processes and optimum integration. The Company's diversification to the other largest belt, i.e., Maharashtra, developed an inbuilt hedging in operations and created value for all stakeholders.

In line with Government of India's Policy on Ethanol Blending Programme, our Company almost doubled its distillery capacity from 8 Crore Ltr. to 16 Crore Ltr. per annum while diverting 25% of our sugar production capacity during the year. We expect our distillery segment to be our main pillar of growth with sustainable medium-to-long term value accretion.

### Community development

We endeavour to solve challenges that communities are facing. Over the past three years, we have significantly increased the scope of our CSR projects. Currently, our CSR projects focus on soil and water conservation, access to clean energy, livelihood skill training and social development. These projects are based on stakeholder expectations and feedback is taken regularly. Our CSR activities are aligned with United Nations' Sustainable Development Goals (UN SDGs). Dalmia Bharat Foundation (DBF), with a population outreach of more than 10 lakhs, helps in the effective execution of our CSR projects.

We recognize the importance of farmers in our supply chain and undertake several initiatives to improve the fertility of the soil, educate farmers about farming developments, provide utilities such as crushing machines, collaborate with Cane Development Institute, improve farming techniques, strengthen production processes

**The Company reported a record performance in FY 2021-22, marked by its highest-ever revenue, profit before tax, profit after tax and exports. The Company strengthened revenues complemented by a 9% increase in profit after tax.**





**Digital innovation is central to everything we do at DBSIL, including our commercial outreach, operations and administrative management. On the commercial side, DBSIL continues to be instrumental in enabling our customers to safely and reliably acquire our products and ensure the loyalty of a growing number of customers.**



and invest in modern equipment for achieving greater growth. Our cane management footprint has benefited many sugarcane farmers. We endure relationships with them through fair and timely payments. Each plant comprises at least four Kisan Seva Kendras (Farmer Service Centres) to distribute fertilizers, agrochemicals and seeds. We aim to develop robust and high-yielding cane varieties that generate sustainable incomes for farmers.

### **Our aggressive climate action goal and detailed plant-by-plant roadmap are currently our industry's most ambitious carbon reduction pathway**

Climate change is a concern for us and we are conscious of the dire effects of global warming on agricultural produce. To continuously improve our resource efficiency, we have implemented several energy and water-saving initiatives at our plants. DBSIL has achieved Zero Liquid Discharge (ZLD) across its plants. We recognize the role of green power in reducing GHG emissions and utilize bagasse in our cogeneration plants to produce green power. Our co-generation capacity stood at 123 MW in FY2022, of which around 35% was consumed by the sugar business in-house before exporting the rest to the electricity grid.

### **Our growth strategy is firmly rooted in our digital efforts**

Digital innovation is central to everything we do at DBSIL, including our commercial outreach, operations and administrative management. On the commercial side, DBSIL continues to be instrumental in enabling our customers to safely and reliably acquire our products and ensure the loyalty of a growing number of customers. 'Working Smarter' is the most comprehensive adoption of digital technologies ever to transform how business services are provided at DBSIL, ranging from finance and accounting back office, information technology and human resources to commercial back- and middle-office services.

### **We are proud of our workforce**

We could not have attained this success without our outstanding people. We are firmly committed

to prioritizing their health and safety, providing a superior workforce experience and maintaining high levels of employee satisfaction. We do not define strict policies; we indicate guidelines that reflect a belief in our value system and expect the same integrity from all talents – the 'Dalmia Way of Life'.

We are grateful to our employees who ensured our products, safe operations and delivery during this third year of the pandemic. Thanks to their determination, our health and safety protocols, and the efforts of our medical workers, we registered a lower COVID-19 contagion rate in our operations compared to the average rate in each locality.

### **Building a Better Future**

A year of many 'records' and 'firsts,' 2021-22 was in many ways a milestone year for DBSIL. Our results, which were transformational, bolster our commitment to continue to live our purpose of building a better future. Sustainability parameters, combined with economic growth, have always been a matter of importance to us. The pillars of economic, environmental, social and governance have shaped what we have become and will continue to lead us to the future. We ventured into FY2022, determined to progress on each of these pillars, and, as a result, achieved great results. We are committed to our values and are in a constant search of ways to make our business more sustainable.

As we look forward, we are excited about the new opportunities created by our robust capital structure, growth investments, digital transformation, and commitment to continue leading our industry in the global transition to a low carbon, green and circular economy. On behalf of DBSIL's Board of Directors, our management team and our employees, we thank you for your continued confidence in DBSIL.

**Gautam Dalmia**  
Managing Director

## **About our Integrated Annual Report**

Dalmia Sugar wanted to replace the traditional annual financial and sustainability reports with one Integrated Report, which provides a more unified view of how we create and sustain value in the short, medium and long term. We will be one of the first few sugar companies in India to publish an integrated annual report.

As positive feedbacks were received from stakeholders, the organization pushed forward towards these efforts. The KPIs were fine-tuned, increased transparency and the content was sharpened. The goal was to make the report even more integrated, inclusive and widely accessible. We want it to be comprehensive and a pleasure to read, a translation of what DBSIL is all about today and in the future.

### **Frameworks**

This year is an integrated data pack that covers all publicly available ESG metrics in one single document and spans the year. We adopted the IIRC

framework to establish integrated reporting within the mainstream business. By the IIRC Framework ([www.integratedreporting.org](http://www.integratedreporting.org)), the Company included an Integrated Report as a part of this Annual Report. The Company seeks to provide a brief and integrated account of how the Company's Strategy, Governance, Performance and Prospects are delivering on its core purpose. This report encompasses all key non-financial performance indicators, which are material to the Company as per GRI .

As a forward-looking-business, we have also voluntarily attempted to publish the newly introduced reporting system by SEBI – Business Responsibility and Sustainability Report (BRSR). It plays a crucial role in establishing the linkages between environmental and social sustainability as well as the financial growth of the organization.





# Creating value



## Value We create for society

As a Company, we are aware that our financial statements only partly reflect how our activities affect society; there are positive and negative impacts not valued in the capital markets and, therefore, do not appear in our traditional profit and loss calculation.

By quantifying the net value created, we enhance our understanding of the materiality, relevance and interdependence of our Company's positive and negative impacts. We believe that it is an essential step for informed management and decision-making to

improve the value that DBSIL contributes to our country, society and planet. Furthermore, it allows us to manage risks, be more transparent and achieve our sustainability ambition.

## Economic Impact

### Salaries and benefits

Value that our Company Creates for our employees.

### Taxes

Value through our contribution to government exchequer in the form of direct and indirect taxes.

### Interest and dividends

Value for lenders and shareholders.

## Social Impact

### Talent development

Value through our training programs and other educational initiatives. This only includes the value created outside our Company.

### Social initiatives

Value for our stakeholders through our social initiatives and inclusive businesses.

### Health and safety

The main goal of safety and health programs is to prevent workplace injuries, illnesses, as well as the suffering and financial hardship these events can cause for workers and their families.

## Environmental Impact

### GHG emissions

Reducing emission of greenhouse gases.

### Air emissions

Reducing emission of other potentially noxious substances.

### Water consumption

Reducing the use of a scarce resource by treatment of effluents and recycling.

### Net waste balance

Reducing the impact of waste generated in our operations and creating wealth.

## Material issues impacting value creation

We analyse various environmental, social and governance issues impacting our businesses, value creation and stakeholders. These help us define strategic priorities, mitigate actions and better understand our effect on the environment and the stakeholders' impact on our value-creation.

We conduct a thorough analysis of the external and internal environment

through a quadrennial materiality exercise involving all internal and external stakeholders to identify and subsequently validate the material issues of DBSIL. Last year we first created a bucket list of potential material aspects by analysing the material issues of peer companies, the Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI).

As a part of the materiality process, the senior management of DBSIL has shortlisted the material elements, prioritized and grouped them under four pillars: Empowering People, Responsible Consumption, Responsible Growth, Business Ethics and Sustainable Business Practices. This year, the materiality issues have been reviewed and the initiatives have been analysed to manage them.

### Identifying Material Issues

- Study of internal and external factors
- Product value chain and SWOT analysis

### Evaluating Current Status

- Engaging with internal cross function team

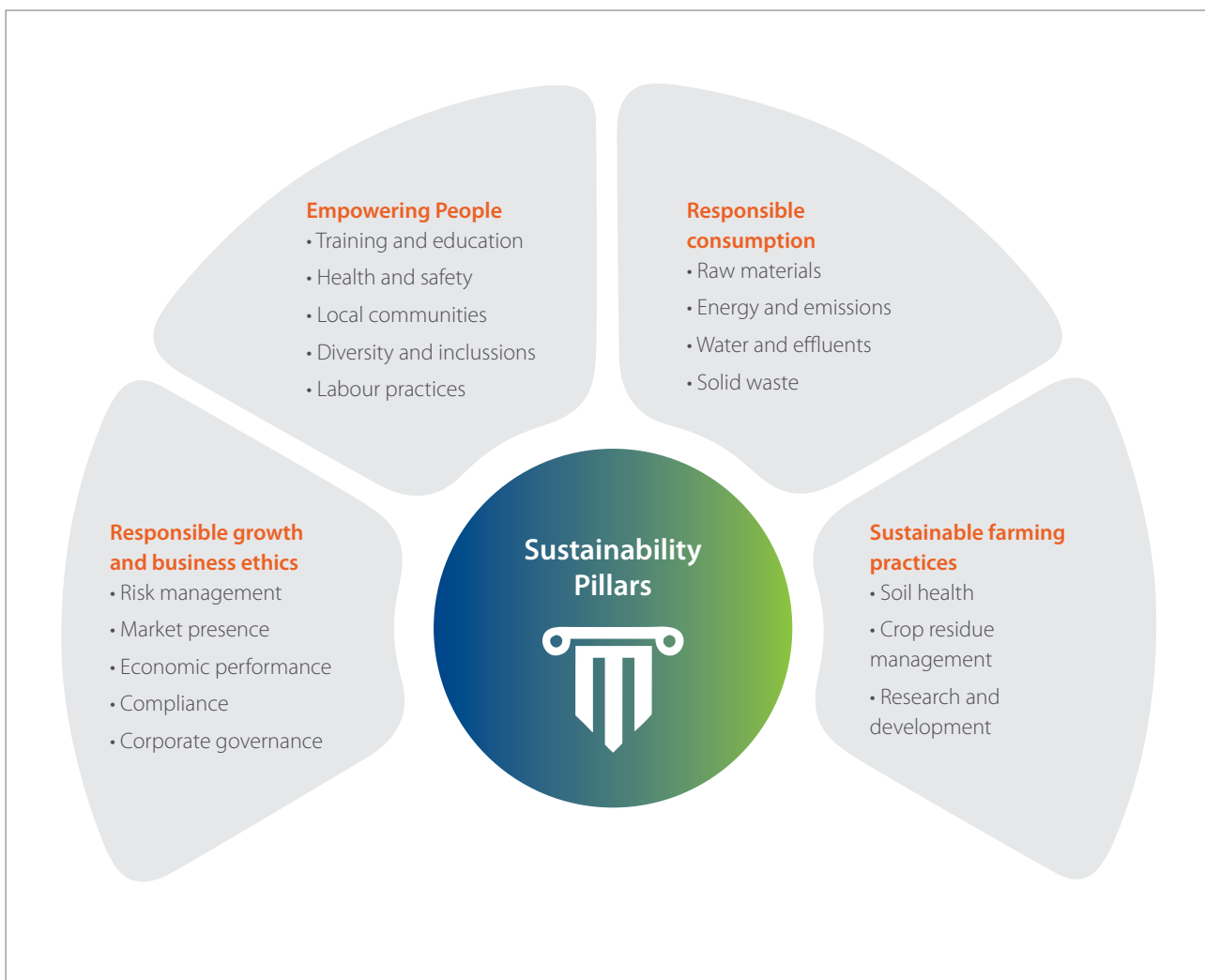
### Mapping Ambitions

- Revamping the strategy to align with all teams

### Identifying Key Action Areas

- Prioritising the key areas into short, medium and long-term needs as per internal and external stakeholders' relevance





## Risk Management



DBSIL operates in a constantly evolving business landscape, which exposes us to several types of risks that could impact the achievement of our strategic and operational objectives. The risk management process, deployed throughout our operations, helps identify, assess, mitigate, and monitor DBSIL's

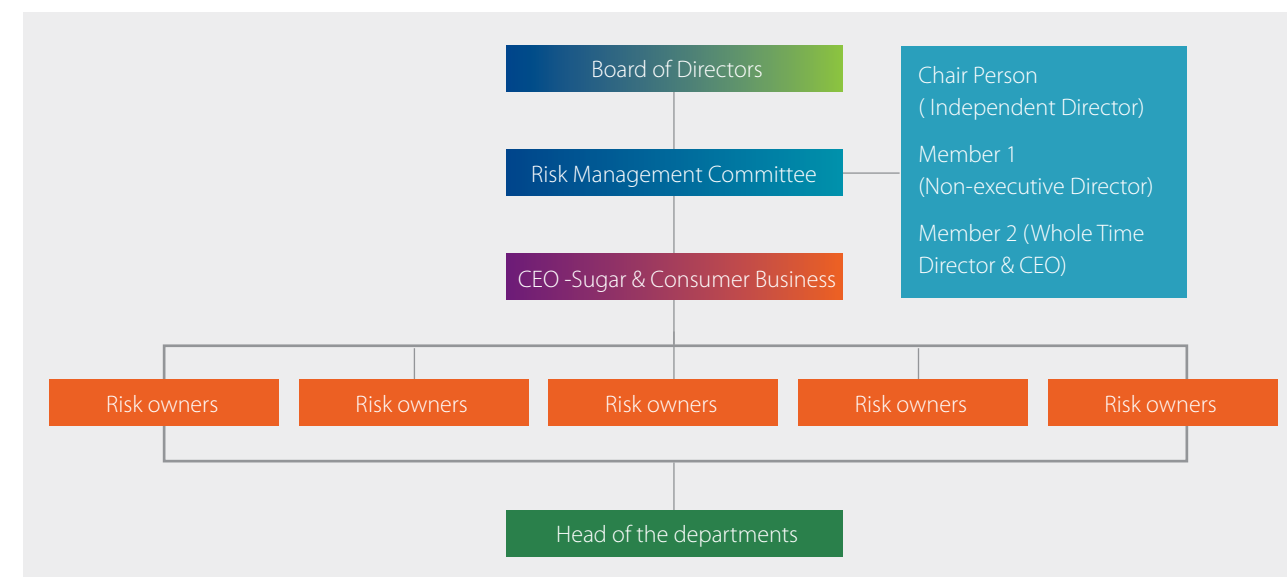
key risks. This process emphasizes risk discussions by decision-makers and risk oversight by the Risk Management Committee / Board of Directors.

Risk agendas include all types of risks, trends, emerging concerns that could impact DBSIL in the short (zero to two

years), medium (two to five years), and long term (five to ten years). Other risk management areas and processes within our Company complements the surveillance and risk management function: process assessment, internal control, legal, financial risk management, compliance and sustainability.

### Risk management structure

For the successful implementation of the risk management framework, it is essential to nominate senior management individuals to lead the risk management teams. Periodic workshops are conducted to ensure awareness of the policy and the benefits of following them. This ensures that risk management is fully embedded in management processes and consistently applied.







### Approach to risk management:

Over a number of years, the Company has matured its Risk Management framework, which identifies, prioritises, manages, monitors and reports, the key risks as well as the emerging risks that can impact achievement of the organisation's objectives. The Company's Risk Management Framework is founded

on sound organisation design principles and is enabled by an effective review mechanism.

Our integrated ERM framework implemented across the organisation is developed based on the COSO (Committee of Sponsoring Organisations of Treadway Commission) and then

suitably customised to address our unique business requirements.

Whether risks are external/ internal to the Company, or can / cannot be directly influenced/ managed, they are addressed by a common set of processes through the risk management process.



### The review mechanism and structure as stated below.

| Review frequency                |                |
|---------------------------------|----------------|
| Board of Directors              | Annually       |
| Risk Management Committee       | Half - yearly  |
| CEO - Sugar & Consumer Business | Every month    |
| Risk owners                     | On-going basis |



# Financial Capital: Managing Finances Prudently

At Dalmia Sugar, Financial Capital is generated annually from the surplus arising from current business operations and financing activities, including the raising of debt and equity aligned with market conditions and internal strategic planning, as well as optimal asset monetisation. We are in a situation of robust surplus and this flexible capital position has been instrumental in giving a push towards new businesses and green growth opportunities across different aspects of the business.

## SDGs impacted



## Key inputs

2314

Net worth – Rs Cr

0.35

Long-term Debt-to-Equity Ratio  
– times

35

Financing cost of the Company –  
Rs Cr.

## Key outcomes

3,080

Total Turnover – Rs Cr

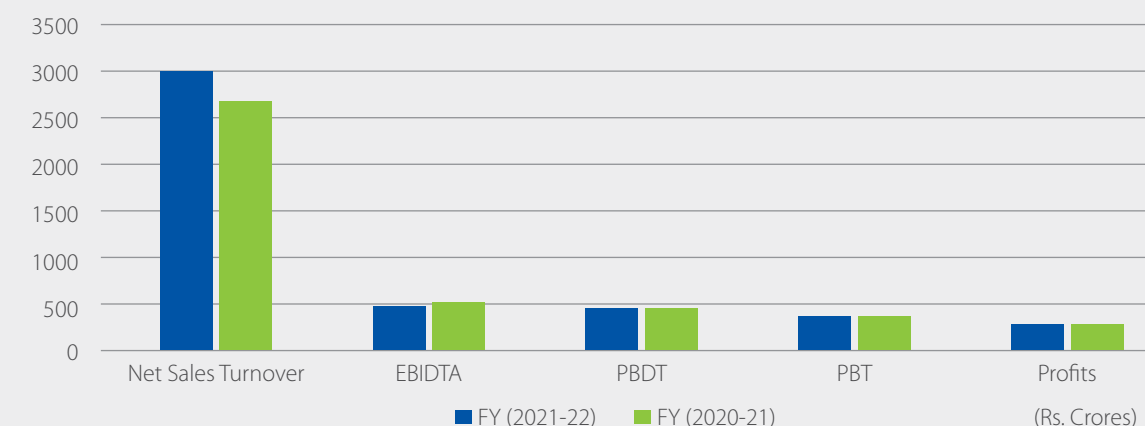
488

EBIDTA – Rs Cr

295

Profit after tax (PAT) – Rs Cr

## Other key metrics



At DBSIL, our goal is to maximize value for our shareholders and ensure long-term business sustainability with an optimal capital allocation strategy. Our business and Balance Sheet position, defined by strong cash flows and manageable debt levels, protect our Financial Capital and support our growth.

### Financial Capital priorities

Ensure higher free cash flows to fund growth, reduce debt and pay dividends

### Financial Capital goals

To maximise shareholders value

Invest in high margin and high value products and businesses

Maintain an optimum level of liquidity with sustainable growth

## How we manage our Financial Capital to accelerate towards a green future

We have a robust internal strategic planning process, for maximizing financial returns and cash flows. Surplus funds are held in a basket of investments that deliver maximum returns on invested capital. Our investment plan is aligned to strategy and market conditions.

Furthermore, as part of our efforts towards 'strengthening earning power', we understand the macro parameters and enable our business to get maximum out of it for the benefit of all stakeholders. As a key priority laid out in the Medium-

Term Management Policy, we have been working to enhance our capital assets and assets efficiency through the rigorous monitoring of return on invested capital (ROIC). By stepping up efforts to enhance capital efficiency underpinned by revenue growth in our business, we aim to continue to improve our business model more sustainable and stable.

### Objectives

**Short term:** To achieve one of the best operating results including financial numbers.

**Medium term:** To understand the macro parameters and enable our business to

get maximum out of it for all stakeholders.

**Long term:** To achieve a level where our business model is more sustainable and stable.

### Key risks

1. Interest rate hike
2. Government policies affecting the business model

### Key focus areas

1. Low debt-equity ratio
2. Hedging forex risk
3. Efficient working capital management





## Overview of earnings potential:

### Distillery

Distillery will continue to be the main growth driver due to the thrust of the Government of India on ethanol blending. DBSIL increased distillery capacity to around 16 Cr. litres and 3 Cr. litres grain ethanol capacity project (100 KL) at Jawaharpur is under process. We expect this segment to remain stable and promising in the medium-to-long term scenario.

### Ethanol

For a growing nation like India, achieving energy security and the transitioning to a thriving low carbon economy are critical. To strengthen India's energy security, blending locally produced ethanol with petrol will help, which will also enable local enterprises and farmers to participate in the energy economy and reduce vehicular emissions. Ethanol continues to be main focus of the Government of India. Prospects are high as we plan to be in sync with aggressive Government policies on ethanol. We would like to go hand in hand with that.

### Energy

The co-generation plants located at the sugar mills help us reduce greenhouse emissions through the production of renewable energy. We have 123 MW co-generation plant capacity, which caters to our requirements and the surplus is sold to power distribution companies. We use bagasse mixed with spent wash to generate green energy.

### Strategic focus

We aim to grow our business verticals with a sustained focus on improving cash returns through efficiency and productivity and strengthening the Balance Sheet by minimising financial leverage. Our robust financial planning process enables the right balance between cash conservation and business investments, leading to optimal debt reduction.

### Indirect Economic Impacts

Indirect economic impacts, while harder to quantify, include jobs affected indirectly by the operations, infrastructural development in the region where the Company operates and community development programmes.

### Way Forward

Prudent financial management has been the major factor behind the robust growth and development of DBSIL. The strategic actions and initiatives around green growth witnessed across all capitals as presented in this report, have their roots in the thrust provided by the Financial Capital and will be a focus of our Company to maintain such robust financial position in the years to come.



# Our business



## Manufactured Capital: Focussing on operational excellence and quality leadership

### Management approach

Green future at DBSIL not only refers to promoting sustainable agriculture but also the improvement in production efficiency and effectiveness. In line with this spirit, manufacturing excellence is one of the core priorities of the organization and serves as the area for maximum cost minimization, Dalmia Sugar tries to create manufactured value in the most sustainable and customizable way, which involves less pollution and maximises the value with a lower carbon footprint.

### SDGs impacted



### Key inputs

39000  
TCD, installed capacity

52.63  
LMT, cane crushed

600  
KLPD, ethanol installed capacity

123  
MW, cogeneration capacity

### Key outcomes

4.86  
LMT, total sugar manufactured

11.70  
Crore litres, total ethanol production

49.65  
Crore units, total units of electricity generated

At DBSIL, we prepared a strategy for increasing our overall production capacities by 2025. As a part of this strategy, a few projects have been implemented and the balance are under various stages of development.





## Material issues addressed

- Raw materials
- Energy and emissions
- Water and effluents
- Solid waste

- Efficient production and material innovation are key for meeting growth aspirations
- Continuous and sustainable value creation are the pillars on which the Manufactured Capital of Dalmia Sugar rests

## Strategic goals

### Short term

1. Maximum capacity building in ethanol
2. Raw material sustainability with increase in area and yield of the crop
3. Maximum water recycling
4. Community development

### Medium term

1. 100% utilization of capacity
2. Capacity building into a diversified portfolio
3. Operational efficiency - Target to be one of the best amongst the benchmarks
4. Diversification into raw material variety
5. Minimizing ground water withdrawal

### Long term

1. One of the largest player in all segments
2. Value creation from waste to wealth

## Key risks

1. Maintaining market position and profitability with sustainability
2. Impact on performance due to an economic slowdown and Covid-19 pandemic

3. Potential impact of climate change on operations and assets

## Key focus areas

1. Achieving sustainable growth by expanding the manufacturing capacity to produce more sustainable products.

2. Pursuing technology innovation for optimizing capacity utilization and efficiency improvement

## Production capacity

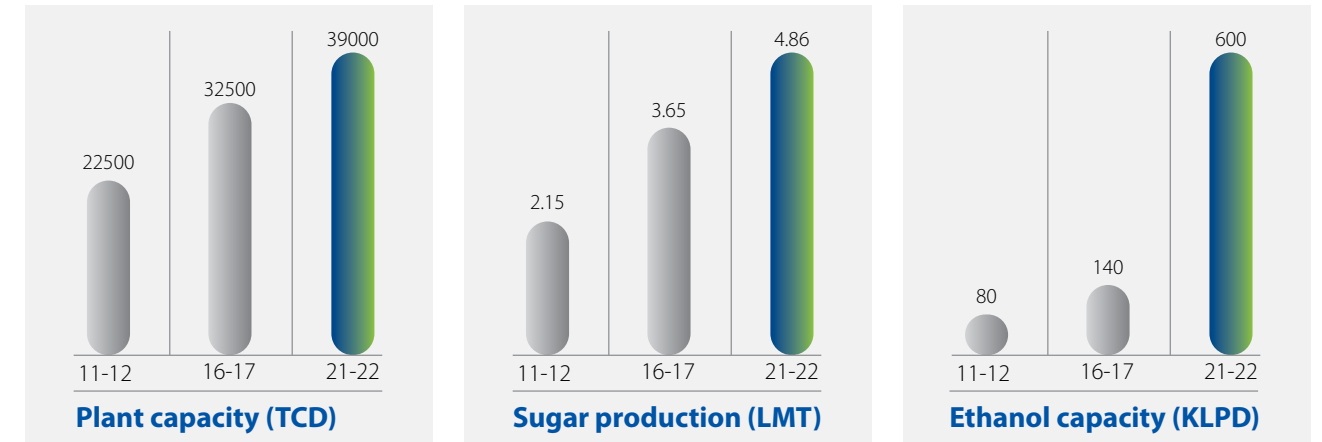
We have constantly increased our production capacity to meet the requirements of the market as and when needed. In 2011-12, we had a production capacity of 22500 TCD which is now at 39000 TCD.

## Sugar Production capacity

Our sugar production capacity has increased to cater to an increase in demand over the years. In 2011-12, we were producing 2.15 LMT and as of 2016-17 it increased to 3.65 LMT. In 2021-22 we produced 4.86 LMT of Sugar.

## Ethanol Production capacity

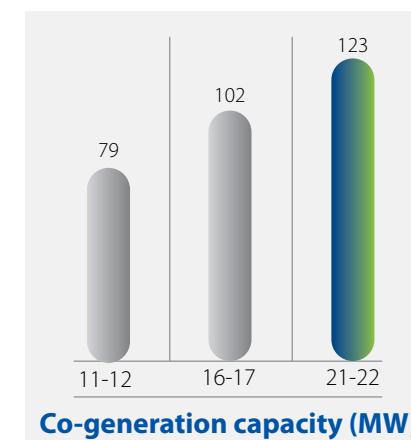
With an increase in sugar production, the production of ethanol, one of the key elements in processing sugar, has also increased. In 2011-12, we had an ethanol production capacity of 80 KLPD, which has increased to 600 KLPD in 2021-22.



With the latest development in Government of India policies promoting the usage of grain (rice/maize etc.) for the manufacture & supply of alcohol, DBSIL has taken initiatives to set up grain-based distilleries at various locations. Our first project is under implementation at Jawaharpur.

## Cogeneration capacity

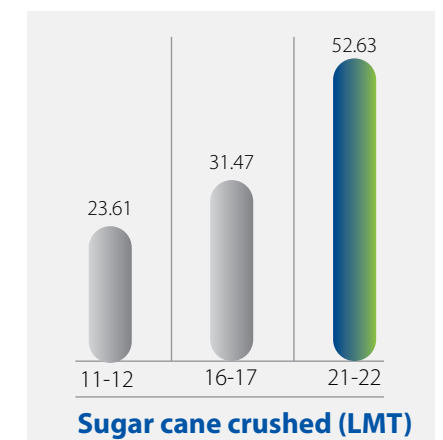
There has been a substantial increase in the electricity generation capacity as a result of a carefully crafted growth strategy in the sugar business.



## Enhancing Resource efficiency

### Increased cane crushing despite of pandemic

At DBSIL, despite Covid -19, we were able to achieve similar crushed sugarcane as compared to last year's amount. We worked to ensure the production was not impacted due to Covid -19. We were able to achieve this mainly because of better resource management, better operational efficiency, timely acquiring of required machines and optimum maintenance of machines to expand our production.





### Installation of Rotary Sugar Drier with Dehumidifier and Chiller

Rotary Sugar, having a handling capacity of 65TPH sugar, was installed as a drying unit along with a dehumidifier and chiller units to handle more S-30 or smaller grain production as the existing system was inadequate to handle the high load of small grain. RSD enabled us to produce small size grain quantity up to 95% of the total sugar production, thus meeting the S-30 requirement for export in limited time-frame. The outlet sugar has moisture less than 0.04% , which improves the sugar keeping quality and shelf life and the institutional buyer's/

export requirement can be met even after the longer storage duration. The bagged sugar has a temperature of less than 35°C, which is the optimum temperature and improves the sugar keeping quality and shelf life. The dust in the S-30 bagged sugar remains less than 0.75%.

### Manufacturing of specialty sugar

In the beginning of FY 2022, we started our new specialty sugar division with the motive to capture the branded sugar market throughout India. It was a great challenge to manufacture various new different products with a different process. We successfully launched our sugar under

the brand "Dalmia Utsav" in April 2021. Currently, we are manufacturing these products with the following SKUs:-

- White Sugar (500gm, 750 gm, 1 Kg, 2 Kg and 5Kg)
- Brown Sugar (1 Kg and 2 Kg)
- White and Brown Sugar Sachet (5gm and 7gm)
- Icing Sugar (1 Kg)
- Breakfast Sugar (1 Kg)

We are manufacturing sachets for our customers like IRCTC, Café Coffee Day, Chai Point, Costa Coffee and TFS etc. , just to name a few.

### Expanding manufacturing capital

#### Change in manufacturing process

Our products are manufactured around the highest quality and environment standards. We are extending into refinery process, which generally gets trended in the global market. In the last two financial years, we installed the Ion Exchange Refinery process at two locations , producing refined sugar of the highest quality , which is exported globally.

#### Installation of the Ion Exchange Refinery

We installed Ion Exchange Columns in the existing refinery system & expanded the refining capacity to 2100 TPD, migrating from DMP (Defco-melt phosphofloatation) process to DMP+IER Process. It facilitates the production of sugar with average colour value below 25 IU throughout

the season. The sugar keeping quality and shelf life improved due to less colouring agents in bagged sugar and the institutional buyer's requirement can be met even after the longer storage duration. It facilitates the production of export quality sugar, thus extending the business to the international market and gaining an extra premium. Steam consumption reduced after its installation to the extent of 0.2-0.4 % on cane as the re-circulation of refinery molasses within the process reduced. Despite the COVID pandemic peak and government restrictions, we completed our project in just 92 days.

#### Installation of BRS (Brine Recovery System)/ RWRS (Rinse Water Recovery System)

We installed BRS and RWRS with their auxiliary equipment along with the IER

system. BRS and RWRS helps in cost reduction due to the recovery of common salt from the solution of spent brine, which can be recycled and used further. It also helps in the reduction of waste generation volumetrically. RWRS helps in the reduction of water for the IER system as it recovers more than 90% water, which is used in brine preparation and hydro-jet cleaning. It helps us achieve and zero ground water requirement in the IER & BRS system.

#### Production of Sanitizer to fight Covid 19

We also started the manufacturing of hand sanitizers as per the WHO recommendation under the brand name 'Dalmia Sanjeevani' and helped India's fight against COVID-19.





# Natural Capital: Sustainable value chain

Accelerating towards green growth has not been just operational but also the sustainability mantra of Dalmia Sugar as it tries to forge a path of resource efficiency and circular economy. Being well placed at the intersection of three important paradigms – Sustainable agriculture, resource efficiency and carbon positivity, provides DBSIL a unique opportunity to use multiple levers to accelerate the augmenting of Natural Capital.

## SDGs impacted



## Key inputs

25.93

Specific electricity consumption (kWh/tonnes of sugar)

0.40

Specific steam consumption (tonnes/tonnes of sugar)

0.29

Specific water consumption

0.0247

Specific GHG emissions

## Key outcomes

63.40

Percentage of water recycled

100

Percentage of renewable fuel

DBSIL is an agriculture-based Company and any green growth prospects has its base in the support that the Company provides to its major stakeholder group – the farmers. DBSIL has been supporting farmers in a big way and developing livelihoods of the village economy in following manner:

1. 100% buying and payments of cane crop

2. Assisting farmers to develop an additional stream of income
3. Assisting farmers to sustain their crop with varietal composition
4. Developing low water intensity techniques
5. Building a circular economy
6. Contributing to the nation through fuel sustainability

DBSIL works with one strong belief that in the business of sugar manufacturing, success is derived from the ability to engage with several farmers. This has resulted in making sure that we deepen our enduring relationships with cane farmers through fair and timely payments, fair weighing and sustainable agricultural practices. This has resulted in enhanced value for cane farmers through a sustained off-take of their produce.



## Material issues addressed

- Soil health
- Crop residue management
- Research and development
- Water and emissions

- Focus on sustainable unit and business process for creating virtuous cycle in each production aspect
- Minimising the footprint and getting better return per unit resource is the key mantra

## Strategic goals

### Short term

- Conduct preliminary water footprint to map the exact water withdrawal, consumption, discharge and losses to identify potential areas of water conservation
- Soil analysis of targeted farmer, use of organic manures like press mud, bio compost and Kash
- Strengthening of improved soil and water conservation practices through interactions and training

### Medium term

- Adoption of water conservation measures at the manufacturing facilities. These could include developing rainwater collection reservoirs and other operational efficiencies.
- Infrastructure development for soil and water conservation approaches viz. village ponds, borewell recharge structures, farm leveling, mulching, fym and vermicomposting pit etc
- Capacity building of farmers at each site in learning best farming practices.

### Long term

- Work with farmers to achieve an overall reduction in the use of chemical fertilizers
- Work with farmers to achieve increase in area under organic matter
- Reach out to all farmers at each site for soil sample analysis
- Maintain status of ZLD for all units

## Key risks

- Evolving legal and regulatory environment on disclosures, emissions, water and climate change

- Dependence of cane productivity on climate factors

## Key focus areas

- Periodic review of compliance policies

and procedures.

- System improvements to minimize energy intensity and dependence on non-renewable sources.





## Reducing emissions and conservation of resources

At DBSIL, sustainability is integrated in all aspects of daily operations. Our organization is working on aspects like sugarcane sourcing from farmers, efficient operations to minimize waste and optimizing energy consumption.

Each by-product of sugar cane is utilized within the distillery and cogeneration plants with zero effluents. Almost every by-product is being used for value creation and DBSIL has created systems and structures to increase resource efficiency on an overall basis.

### Varietal improvement programme

Since sugarcane cultivation is vulnerable to different biotic and abiotic factors

viz diseases, insect-pest and climate, This has impacted cane yield per unit as well as sugar recovery. Regular varietal improvement initiatives are important for climate resilient and sustainable cane cultivation. DBSIL has committed to varietal improvement programme through in-house R&D and a regular introduction of new prominent cane varieties. The main growing varieties are CO 238, 14201, 15023, 84096 in UP and CO 86032, 92005, 9057 and 10001 in MH.

### Inter-Cropping with Sugarcane

Sugarcane is a long duration crop and normally occupies the field for a period of 12 months. The large inter-row spacing in the cane crop provides an excellent

opportunity to grow suitable inter-crop. DBSIL promotes the growing of an additional crop with sugarcane; the gross productivity of the land per unit area increases, which generates extra income for farmers. A number of crops can be grown successfully as inter-crop in sugarcane like mustard, green gram, Cow Peas, Onion, Coriander, Ladies finger, tomato, lentil, garlic, pea, radish, palak etc. Leguminous inter-crops provide additional benefits of nitrogen enrichment to the soil and green manure.

## Reduction in GHG emissions

| Parameter                                                                                                                                                                       | Unit                                        | FY 21-22 | FY 20-21 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------|----------|
| <b>Total Scope 1 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 129499   | 168435   |
| <b>Total Scope 2 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 640      | 2397     |



Compared to the last FY, we were able to reduce our GHG emissions. For Scope 1, we were able to reduce from 168435 to 129499 in the current FY. For Scope 2 we were able to reduce our GHG emissions from 2397 to 640 in current FY. The Company is also actively strategizing the path towards carbon neutrality in its operations over a period of time.

### Making agriculture inclusive and sustainable in DBSIL

The Company sources 100% cane from areas close to sugar mills from our cane farmers, approximating 2 lakh (including small and medium scale-farmers) and harvested from almost 120000 Ha area under cane cultivation. This area is spread over our five units, three in Uttar Pradesh and two in Maharashtra. The Company shares its knowledge and expertise in sustainable agricultural practices with farmers for cane cultivation. Alongside this, the farmers are also encouraged to increase the use of available organic formulations. They are constantly monitored and provided judicial inputs. These activities result in the improvement of quality and yield of cane, benefitting

farmers and the Company.

The Company has been highly effective in encouraging farmers to grow the best cane variety, increasing farmer yields and living standards. We are also renovating village ponds and the construction of bore well recharge structures to harvest rainwater (runoff) to improve water table levels and for irrigation. To maintain long-term soil fertility, ecological and biological balance, we are also providing press mud, K ash, vermi-composting, bio-compost and FYM to farmers, reducing the use of chemical fertilizers and insecticides. Our in-house soil testing labs analyze farmer soil samples, which enables us to provide judicious solutions.

The Company carries out development activities and provides necessary guidance to small and marginalized cane growers for the selection of the right variety of cane seed, agri-inputs and agronomical practices.

### Responsible consumption and production

The story of how we graduated our farmer relationships to the next level goes back some years. In Uttar Pradesh until 2013-14,

farms generated an average low yield of cane per hectare. Cane farmers followed conventional farming practices. Access to quality productivity-enhancing tools, inputs or insights (ratoon management, genetically modified seeds or pesticides) were inadequate. Water constraints remained.

Project 'Unnati' was launched by Dalmia Sugar to address these inequities in UP and achieve a recovery in excess of 10%. This made us embark on an exhaustive survey, wherein we discovered that only 20% of farms were covered by the early-maturing cane variety. This compelled us to undertake decisive steps to play the role of the responsible evangelist. The result is that the early cane variety now covers 95% of our command areas and supply yields have climbed from around 400 quintals per hectare five years ago to 500 quintals per hectare today. This increased farm coverage on the one hand and yield on the other has helped transform the incomes of farmers across the commanding areas, deepening the cane-growing culture and creating a long-term pipeline of resource sustainability.





Cane Development Assistant Programmes

Comprehensive survey

Cane Development Assistants (CDAs) are responsible for all developmental activities in the farms, including cane plantation, varietal improvement, yield improvement, cane survey and plant protection. There are 45-50 CDAs in each mill who supervise the entire core area of the Company, ensure cane development activities, knowledge sharing with farmers and check the diversion of cane to other factories from their assigned villages.

Officers’ training

The ‘CDA and officer training’ is a special programme, conducted indoors and

outdoors, where the faculty is invited to explain different technical and behavioural issues. Various research stations are visited by the officers to get insights on issues like improved methods of plantation and peculiar symptoms of insect-pest and diseases. The skills of the faculty are mapped, and changes in skills are documented for improvement.

Field survey programmes

Each season, after spring planting, the CDA surveys the cane fields. They document different particulars such as the measurement of field dimensions, ratoon / plant crop, date of sowing and condition of crop variety of cane. Earlier, this work

was deputed to the chainman along with the CDA, but now the surveys are conducted through Hand Held Terminal Devise (HHT), which is assisted by a GPS system.

Kisan Seva Kendra

Each Dalmia Sugar plant has set up at least four Kisan Seva Kendras . These KSKs have their own defined proximity to serve the grower with the distribution of agrochemicals, seeds etc. They also provide information to the grower using the cane survey data. Each KSK covers 5-10 villages in a nearby locality. Each unit of DBSIL is having a Kisan Seva Kendra (KSK) as under:

| Nigohi Unit                                                | Jawaharpur Unit                                    | Ramgarh Unit                                                                       | Ninai Devi/ Kolhapur                                                                                                 |
|------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Nigohi<br>Sindhauli<br>Pipariya Singhipuri<br>Satwan Khurd | Sitapur<br>(Naveen Chauk)<br>Gulrahiya<br>Mil gate | Sindhauli<br>Macchereta<br>Gopalpur<br>Misrikh<br>Atrauli<br>Kothawan<br>Mill gate | Karveer<br>Porle/Thane<br>Kotoli<br>Ghotvade<br>Yavluj<br>Punal<br>Kale<br>Salvan<br>Pohale/Borgaon<br>Porle/Borgaon |

Cane purchasing centres

For online accurate cane weighment at our cane purchasing centers, a new technical device has been introduced namely HHT. These devices are installed in 40 such centres for each of the plants at Ramgarh and Nigohi. Jawaharpur, on the other hand, has 30 such devices.

Responsible production

Farmer meetings

Farmer meetings are conducted during each autumn and spring planting by the cane team at various villages. In these farmer meetings, growers are educated on various cultural issues like seed treatment, seed selection and varietal selection along with the best practices to be adopted with respect to yield maximization, better plant protection measures and increased area under cane cultivation.

In terms of supply, DBSIL makes sure that it takes a step ahead in educating growers

on minimization of cut to crush time and ways to supply clean fresh cane without green tops. Along with this, the team also organizes village or corner meetings on the criticality of different issues on a calendar basis.

Kisan Gosthi

Growers are one of the most important assets that DBSIL has. We conduct ‘Kisan Gosthi’ with growers. Organized at the plant locations on a quarterly basis with a theme of customized fertilizer and their importance, these events focus on the importance of autumn and spring planting.

Expert consultancy and interactions

Innovation can bring about change and success anywhere, whether it pertains to high tech labs or simple farms. DBSIL invites scientists from sugarcane research stations and invites key farmers to participate on key topics wherein their valuable suggestions and recommendations are discussed with growers in detail. The growers find new ways to improve their productivity by adopting the recommended package of practices.

Awareness programmes

SMS & leaflets

SMS and leaflets are sent/distributed to promote farming practices amongst farmers. The aim is to spread the message of best cane production techniques through leaflets and SMS’s.

Outdoor

Messages are put up on prominent areas of villages on different issues like the eradication of obsolete sugarcane variety and promotion of high sugared and matured varieties. Wall paintings are also used to capture the continuous attention of the growers.

Road shows

Roadshow rallies are organized on major routes of our command area. During the course of these rallies, announcements for

various farming practices to be followed are made and pamphlets for personal guidance are also distributed.

Nukkad Natak

Nukkad Natak, short-stories and puppet shows are organized with the aim to spread the knowledge of select varieties of sugarcane. The varieties are highly sugared and are a major focus area for the cane department.

Demonstration on farming

At each unit, DBSIL has established several demonstration plots at farmers’ fields. DBSIL demonstrates to farmers various scientific practices including trench planting, nucleus seed nurseries, ratoon management, propping up of cane, yield improvement trials, plant protection trials, drip irrigation and much more. ‘Khet Diwas’ is organised on different

phases of the crop growth to show the results to the growers as well as our field staff for aided motivation to work on the crop. Our farms have a bank of different promising high sugared varieties and used for identification training for our field staff as well as growers. The various trials along with control are also conducted for the effectiveness of different agrochemicals & potentiality of production in case of various cane varieties.

First sowing plot inauguration

The Unit Head and Cane Head personally visit the first sowing plot of the season and inaugurate the same with an Archana Pooja. This creates a sense of motivation amongst the growers of that area that helps them start off with the planting season.





## Initiatives for the conservation of natural resources

### Bon-Sucro

Our Company is a member of Bon-sucro,

a global organization that promotes sustainable sugarcane production, processing and trade around the

world, whose purpose is to collectively accelerate the sustainable production and use of sugarcane.

### Contribution to Sustainable Development Goals

| Sustainability pillar | Environmental                                                                                                                                                                                                                                                                                                                                                                                                                  | Social                                                                                                                                                                                                                                                                                                            | Economic                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Aim         | Improve the environmental impact of sugarcane                                                                                                                                                                                                                                                                                                                                                                                  | Strengthen decent work and respect for human rights in sugarcane farming and milling                                                                                                                                                                                                                              | Create value across the supply chain                                                                                                                                                                                                                                                                                                         |
| SDG contribution      | <div><div>6</div><div>CLEAN WATER AND SANITATION</div><div>Ensure availability and sustainable management of water and sanitation for all</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div>Protect &amp; restore sustainable use of terrestrial ecosystems</div></div> <div><div>13</div><div>CLIMATE ACTION</div><div>Take urgent action to combat climate change and its impacts.</div></div> | <div><div>5</div><div>GENDER EQUALITY</div><div>Achieve gender equality and empower women &amp; girls</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div>Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all</div></div> | <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div>Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>Ensure sustainable consumption &amp; production patterns</div></div> |

DBSIL extended its interest towards sustainable development and enlisted its Kolhapur unit under Bon-sucro small holder certification category since 2018 (refer below statistics)

| Certification Year | Numbers of farmers | Total CLA in Ha | Production rreas closed harvest in current year (For Audit) |               |                   | Production areas estimated harvest in next year (for certification) |               |                   |
|--------------------|--------------------|-----------------|-------------------------------------------------------------|---------------|-------------------|---------------------------------------------------------------------|---------------|-------------------|
|                    |                    |                 | Area in Ha                                                  | Tonnage in MT | Sugar Prod. in MT | Area in Ha                                                          | Tonnage in MT | Sugar Prod. in MT |
| 2018-19            | 200                | 200             | 54                                                          | 5431          | 715               | 200                                                                 | 22934         | 3018              |
| 2019-20            | 400                | 502             | 136                                                         | 14429         | 1821              | 223                                                                 | 25048         | 3176              |
| 2020-21            | 500                | 700             | 397                                                         | 41125         | 5523              | 505                                                                 | 52394         | 7036              |

### Foliar spray

Each season an insecticidal cum fertilizer foliar spray campaign is conducted in about 1/3 the area of the total ratooning. We also aim to provide a subsidy to the growers and incur an amount of Rs.10-15 lacs for each plant.

### Soil testing

Soil testing laboratories have been set up at all of our plants in UP, namely Ramgarh, Nigohi and Jawaharpur. The labs have state-of-the-art facilities for

the analysis of macro as well as micro nutrients. During the off season, the soil samples are collected from different villages for testing. Based on the testing, the recommendation of fertilizers is provided to growers based on the sample analysis report which in turn helps the growers to take maximum benefits of fertilizer application & better nutrient management.

### Agri advisory services through response farming

DBSIL has initiated the sugarcane cultivation advisory service through the use of APP based technologies on farmer's smart phones. This APP named as Krish-e and Krishe-rental owned by M&M is available for farmers on the play store. Dalmia Sugar cane farmers of UP mills can use this app without any charges and retrieve any information on their cane crop by adding details in their regional language.



### Water positive

Water treatment and its disposal in sugar plant is tedious work and most sugar plants are struggling to manage this surplus water coming through Cane. Now a days, most of the sugar plants are

discharging process water and even the government guidelines permit discharge of 200KL/MT of treated water outside the plant.

DBSIL is continuously working in this field and improving conditions year by year. We

are pleased to inform that all of our sugar units are obased on Zero Liquid discharge. This year, we have been able to use the treated water for our power plant as well, thereby, reducing the ground water extraction for the power plant to zero.

### Bon-sucro strategy

These are shown in the strategy circle below

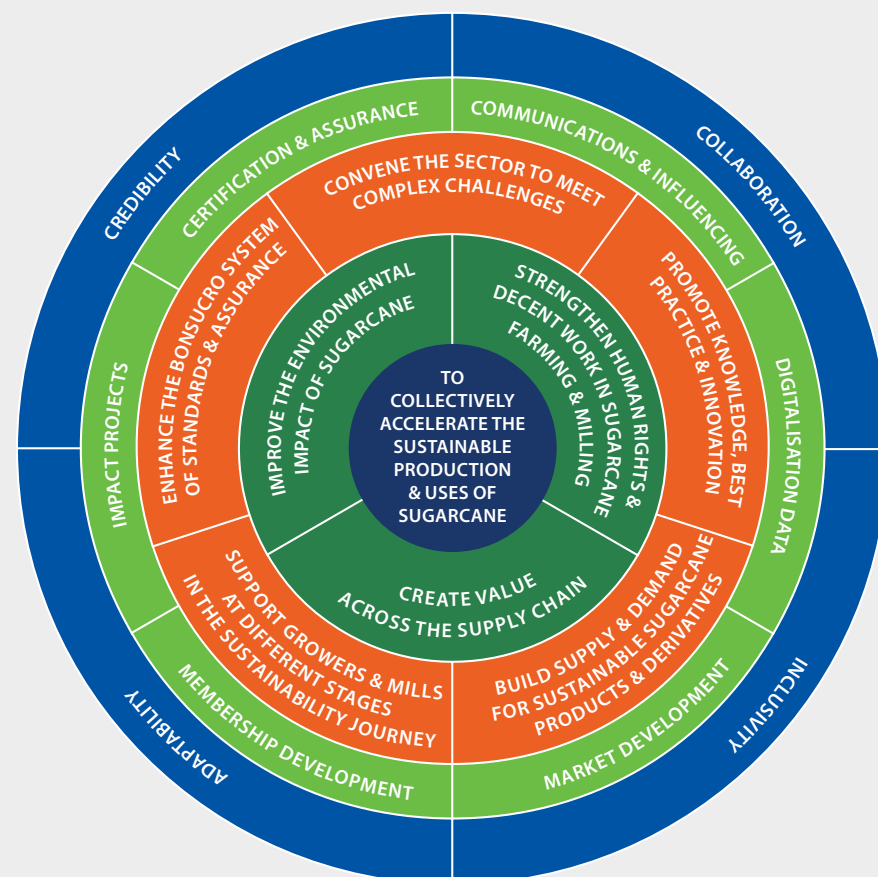
Purpose

Strategic

Priorities

Activities

Principles







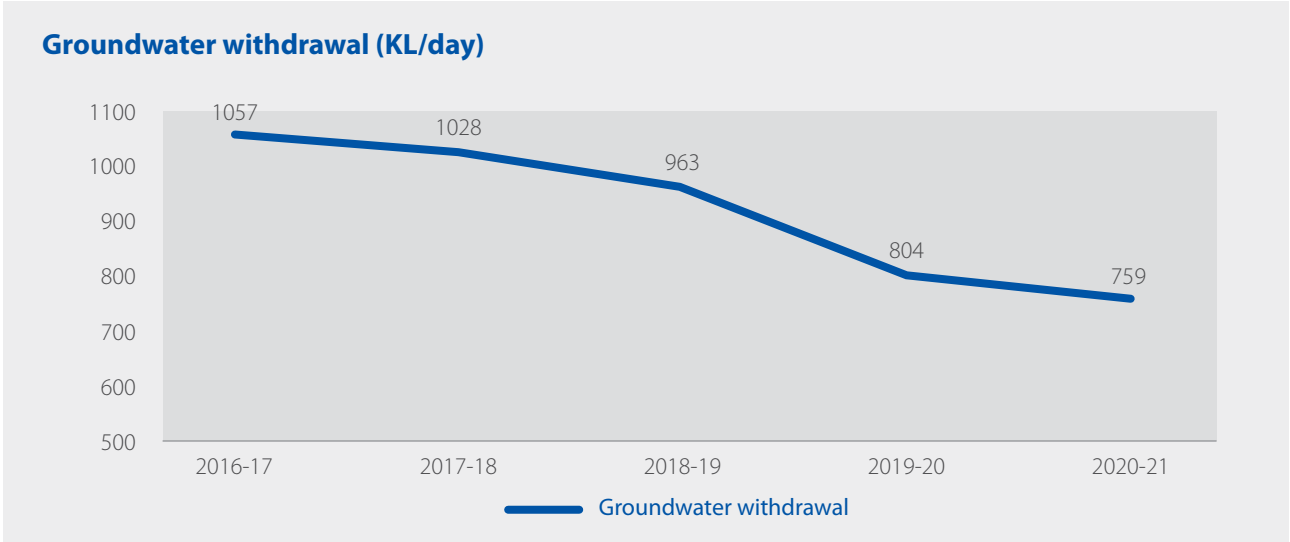
With this achievement, our ground water extraction for sugar and power plants has stopped completely. The treated surplus water is now supplied to farmers, thereby reducing the ground water extraction at their end too, ultimately reducing the fresh water consumption. DBSIL has always been a strong advocate for sustainable business and this initiative

helps our business reduce our water footprint.

Irrigation management

Irrigation management is a core agenda at DBSIL under sustainable cane cultivation. We promote this through several means including Furrow irrigation, Drip irrigation and mulching. Drip irrigation is an important and economically

viable method in the areas of restricted irrigation facilities. Crop is irrigated with a volume of water, which is almost close to the consumptive use of the plants, thereby losses like percolation, run-off and evaporation are minimized. DBSIL encouraged the use of drip irrigation among cane farmers with a proper use of government subsidy schemes.



Minimizing waste

At DBSIL, our constant endeavour is to reduce waste as much as possible by opting for innovating mechanisms, recycling, reusing of product and waste product in our processes. We try our best to ensure that no waste is carried forward and we utilize all the waste generated, thereby producing almost zero waste.

Total waste generated

| Parameter     | FY 21-22 (In Metric tonnes) |
|---------------|-----------------------------|
| Plastic waste | 214                         |
| E-waste       | 2.0                         |

Waste recycled/ reused

| Category of waste |                 | FY 21-22 (In Metric tonnes) |
|-------------------|-----------------|-----------------------------|
| (i) Recycled      | Lubrication Oil | 1.3                         |
| (ii) Re-used      | Bagasse         | 1280194                     |
|                   | Slop            | 173808                      |

Categories of waste generated

| Ash, Concentrated Spent Wash, Bio Gas, Sludge (Manure) |                                                      | FY 21-22 (In Metric tonnes) |
|--------------------------------------------------------|------------------------------------------------------|-----------------------------|
| Spent wash                                             | Incineration                                         | 173808                      |
| Incineration Ash                                       | Given to farmers as manure                           | 27973                       |
| Cogen Ash                                              | Used as fly ash bricks manufacturing and landfilling | 16790                       |
| Sludge(manure)                                         | Other disposal operations                            | 165                         |

Compost, Press Mud K ash and Fly ash

The Company is prompt to supply the organic wastes directly or as formulation to the farmers and have annual plan for their distribution.

Vermicomposting and Farm Yard Manure (FYM)

DBSIL is also promoting infrastructure development for vermicomposting and FYM through pit preparation at the farmer's fields. The produced manures are rich in nutrients (N, P, K, Fe and Mg etc.) and also in bacterial and actinomycetes population which is used as organic fertilizer to the fields and improve the soil health upto a substantial extent. Numbers of such units have been promoted by DBSIL in cane areas.

Mechanization of sugarcane and distribution of agri equipment

Mechanization of sugarcane cultivation is also the need of the day to address the problems of sustainable production and productivity of sugarcane crop. It is useful in saving of time and labor requirement. Cane growers are being educated to change their mind-set towards machine culture for sugarcane cultivation.

Different agri equipment are introduced to cane growers, which are mainly trench cutter planters, ring pit machines, spray tankers, land levelers, small tractors, etc. These are provided to develop agri equipment entrepreneur who have tractors with more than 60 H.P., and

further plantation is done based on subsidized rates through him. DBSIL has also provided trench openers to open trenches on fields at an extremely subsidized rate.

Training-cum-demonstration programme are being organized by DBSIL on a regular basis by associating cane growers and the sugar industry. So concerted efforts on all fronts make sugarcane mechanization a profitable venture.

Trash mulching

Sugarcane trash mulching is a highly useful technique to conserve soil moisture and reduce the impact of moisture stress and atmospheric drought. The Company is also promoting mulching for the inter-row space with 5-7 cm thick layer of dry leaves of sugarcane. About 8-10 tonnes of sugarcane trash per hectare is used.

Trench planting

We have educated our farmers for trench planting method of cane sowing. In this system, 'U' shaped furrows or trenches of about 25-30 cm depth at 120 cm spacing are prepared by using tractor-drawn ridge and trench planter. Besides, paired row system of planting is becoming popular in recent years. In this system, the space between a pair of two rows is reduced by bringing them closer and the spacing between adjacent pairs of rows is increased.

Zero waste generation using innovative technology

DBSIL is the first sugar company to utilize process condensate in power plants. We

have set up new effluents treatment plant.

All water requirement is met from borewell since decades. We went for ICX reactors and new technology. This year we have been able to recycle the water to meet the requirement of our boiler thus reducing our water requirement. It has become zero as on date due to which we were able to save ground water.

The sugar industry is carbon-negative. All power produced by us is green power. We use bagasse only for the power plant. Some surplus bagasse we supply to paper industry, though negligible in quantity. We are also sending unutilized water to the farmers which they can use for irrigation. Nothing goes wasted. This is a closed loop process. We are able to recycle 100% of all by products. The press mud we supply to farmers helps in soil enrichment. This is the same for boiler ash with 17-18% of potash, beside nitrogen and phosphorous, that also goes to the soil and enriches it.

Way forward

Greening the growth process is not just a good-to-have element but a must-to-implement strategy that needs immediate actioning across industry segments. This line of thought is evident in the environment and biodiversity-focussed steps taken by DBSIL. These will be instrumental in reaching the green growth targets that the organization has set to be achieved by 2025.



# Intellectual Capital: Building a competitive edge with innovation

At Dalmia Sugar, we aspire to be among top players in technology in the sugar industry. Developing technological capability and infrastructure, while fostering a culture of innovation, one critical to achieving our stated objectives. Further, the pandemic has reinforced the importance of digital technology adoption in creating and unlocking value in the new normal. All these avenues have provided a robust base for the idea of acceleration that DBSIL is aiming at.

## SDGs impacted



### Key inputs

5.48

Rs. Crore,  
total spent in R&D

9453

Training hours

### Key outcomes

Major initiatives  
transferred from lab  
to field

Industry Excellence  
Award by STAI and  
NSI, Kanpur

## Catalysing the culture of Innovation

A key aspect in sugar and ethanol technology leadership journey is the breakthrough in technology leadership. We continue to make strong progress on projects aimed at improving product usage and efficiency, energy efficiency, carbon positivity and an overall reduction of the carbon footprint across our key processes.

The following are our key R&D initiatives implemented in FY 21-22

- Ion-Exchange refinery process is further adopted in one more unit to achieve the maximum production of the lowest colour and highest quality sugar for human consumption.
- Rotary drier technology has ensured to produce varied quality and size of sugar with the lowest moisture level in sugar bags.
- The Company invested Rs. 31 Crores in a proven state-of-art latest technologies for the treatment of in-house effluents for recycling process condensate up to the maximum level.
- Almost zero water consumption in sugar cane processing has been continued and further improvement is being made in other sections to use recycled water.
- Drip irrigation schemes have been further boosted to conserve water and increase of productivity per hectare.



## Research & Development infrastructure

Our strong R&D team, with a specialisation in multiple businesses, implemented projects focussed on resource efficiency, sustainability, and circular economy. We aim to progressively improve the quality of our products we bring to the market, while reducing the environmental impact

of our products, led by our strategic investments in Research & Development (R&D). Our in-house R&D Centres track global industry trends, changing customer demand and environmental impacts. These insights form the basis of a comprehensive innovation program,

executed and monitored by experts from various sectors using state-of-the art equipment & world-class processes. In addition, academic and industry collaborations strengthen the knowledge and innovation network within the Company.

## Digital transformation

At Dalmia Sugar, we have been driving business transformation enabled by digital technologies. Through digital interventions across the value chain, we have been able to drive model work practices by enhancing digital maturity and, in the process, have become more insightful, intelligent and agile.

Though digital transformation was in its early stages, Dalmia Sugar identified intervention areas to reduce costs and enhance process efficiency.

All Board meetings, Committee meetings and shareholders meetings are held digitally through audio/video means.

DBSIL has initiated the sugarcane cultivation advisory service through the use of app based technologies on farmer smart phones. This app named as Krish-e and Krishe-rental, owned by M&M, is available for farmers on the play store. Dalmia cane farmers of UP mills can use this app without charges and retrieve any information on their cane crop by adding

the details in the regional language.

### Way forward

The Company intends to accelerate innovation and technology leadership through strategic collaborations with multiple research and industrial organisations and partnerships with private organisations and industry pioneers, leverage other allied opportunities to maximise value creation through new innovations and focus on expanding product offerings.





# Human Capital: Building a diverse, future-ready workforce

Our people are the key drivers behind the rapid strides that Dalmia Sugar is making across all its business verticals. Human resource is nurtured and positioned to take central place in the value creation process. As the Company gears towards a green future, its human resources are the primary drivers behind the pace at which the acceleration is happening, transforming into value.

## SDGs impacted



## Key inputs

2648

Total employees

952

Total contract workers

9453

Total hours of training to employees at all levels

## Key outcomes

11

Average years of service

94.25

% employee retention rates

0.4

% of female employees



DBSIL values and prioritizes people over profits. That has guided our journey since inception. As a relationship-based organization, we see our employees as talents with unique capabilities. We are invested in enabling our talents to realize

their full potential so that we can achieve our bold aspirations responsibly. Their well-being and safety are of importance to us. We are led by our defining values of Integrity, Trust & Respect, Humility, and Commitment.

Our people are the force behind DBSIL continuous successful performance. Our commitment to their well-being and development have earned us the reputation of being one of the most sought-after companies to work with.

## Material issues addressed

- Training and education
- Health and safety
- Local communities
- Diversity and inclusions
- Labour practices

- Workplace focussed on inclusivity and diversity provides the fertile base for the employees to grow themselves in Dalmia Sugar.
- The relationships built with the employees and within themselves provides opportunities for better culture, camaraderie and foster innovation



## Strategic goals

### Short term

- Alignment of organization structure as per the business growth and expansion plans.
- Employee and stakeholder health & safety
- Employee engagement, retention and productivity

### Medium term

- Building People Capability - Leadership Development & Succession Planning to ensure business continuity and deploy right talent at right time
- Creating a talent pool for deploying talent in key positions to ensure organic and inorganic growth

### Long term

- Enhancing people and organization effectiveness
- Deepen our positioning as a preferred employer
- Optimize the organization structure to ensure business profitability and sustainability

## Management approach

### Human resource management

We encourage our people to be holistically conscious of their actions. We have woven the organisational goal of sustainability with our talent's Individual Key Result Areas (KRAs) and the performance appraisal system. This move gives each of us the impetus to think consciously about sustainability, what we can do to reduce environmental impact

towards work and in our personal lives.

We build and maintain safe working environment across all our facilities and continuously improve our health and safety practices to achieve zero harm. DBSIL has developed a multi-year roadmap of guidelines to activate safety measures and achieve safety goals across our manufacturing units. We periodically monitor our health, safety, and

environmental practices and deployed line managers responsible for this exercise across facilities.

Our digitally-enabled working environment, robust talent development pipeline, and meticulously thought-through career progression frameworks enhance the responsiveness and effectiveness of our talents.

## Performance management

### Capability development

We are committed to nurturing our talents to accelerate value creation for the Company and our stakeholders and help them build fulfilling careers. We identify key skill requirements of the Company across job levels and bring in best-of-class trainers for talent development. The Human Resources team tracks critical business talent and develops a succession plan to manage sudden exits.

We are targeting the operation of skills of talent and enhancing through regular on the job and class room training and

encouraging talent to particulate on industry workshops and seminars to exchange knowledge and technology.

We have organized business result-oriented talent development programs by external industry trainer and coach, which programmes have contributed significantly in business results and enhance collaboration among team members

### Nalanda

Dalmia School of Leadership, Learning and Change (LLC) helps inspire employees

through high impact developmental programs. Programs that help the mind explore new dimensions and exercise their true potential. The programs are delivered, both experientially as well as through class rooms sessions, workshops, seminars and on the job innovation and creativity sessions. The modules help use their mind to think out-of-the-box in areas of strategy, sales, marketing, logistics, manufacturing, leadership, technology and people related matters. The young faculty at Nalanda co-creates development programmes with the business leaders and their inputs.

## Safeguarding our talents

### Key initiatives for health and safety

- Interventions and awareness programs to ensure employee health and safety in our plants and across the value chain
- Continuous evaluation of internal controls for human right issues in our plants and across supply chain partners
- Implementing awareness and training programs to align with the country's labour norms
- Implementing the EHS manual in all manufacturing units

### Dalmia Way of Life

The talents of the Company are governed by Dalmia Way of Life which gives insights into the organization's

- Culture
- Values (Integrity, Trust & Respect, Humility and Commitment)
- Business pillars (Profitability, Growth, Sustainability, Reputation)
- DNA (behaviours – Committed, Open, Bold, Fast, Collaborative, Trusted)
- Code of Conduct, detailing inter-alia zero tolerance activities
- Green guidelines based on principles, i.e., Conserve Energy, Conserve Conservation, Conserve Climate, Practice Sustainability and Implement Digitization
- Guidelines including inter-alia Fair Employment Guideline, Anti-Fraud Guideline, Anti-Harassment Guideline, Anti Sexual Harassment Guideline and No Gift Guideline.

### Approach towards human rights

DBSIL is firmly committed to prevent child and forced labour in our premises and across our supply chain partners. We acknowledge the right of our workers to unionise and collectively bargain for issues. Kolhapur and Ninaidevi units have trade unions that confer with the management to resolve issues democratically. At the Maharashtra plants, collective bargaining takes place through trade unions; in Uttar Pradesh plants, it is implemented through authorized Sugar Wage Boards.

The Works Committee ensures transparent communication between the management and employees. In FY 2022, no significant shutdowns took place due to union-led issues. We are preparing to conduct a human rights due diligence exercise in the near future.

### Equity and Diversity

The Company ensures diversity in the workplace and provides equal opportunity and fair treatment to all employees including eligible applicants for employment without any bias towards caste, creed, religion, origin, gender, marital status, age and nationality starting from the recruitment to the closure of full and final settlement. All decisions with respect to employee acquisition, L&D, promotion, compensation & benefits, transfers and termination are objective and based on the facts of the matter.

### Grievance redressal

DBSIL adopted an efficient Grievance Redressal Mechanism, Whistle Blower Policy and Vigil Mechanism. This process manages concerns, issues, complaints and grievances of stakeholders systematically. DBSIL is committed to being a fair workplace. We are bias-free and neutral towards markers like age, gender, religion, caste, marital status, sexual orientation and disability.

### Way forward

The impact human capital has in stimulating the growth of other capitals is immense and is a primary driver available at the hands of management for accelerating the process of green value creation. This is promptly recognised by the leadership of DBSIL at all levels and the same is reflected in the manner in which the organization acts as a single unit to achieve its goal and cohesion is bound to increase over a period of time as the programmes and the metrics indicate.





# Social and Relationship Capital



## Social and Relationship Capital: Contributing to a thriving society

Relationships form the core of any long-term partnership. Being a pioneer in the agro-business and engaging multiple stakeholders in a mutually beneficial way has provided Dalmia Sugar with a unique position to create and nurture sustainable partnerships.

## SDGs impacted



## Key inputs

4.81

Core, Investments  
by Dalmia Sugar in  
community development

1.5

Lakh, Reaching out  
to population in 4  
districts

## Key outcomes

~400

Youth trained through  
2 DIKSHA Centres

2000

Women exploring  
Income Generation  
opportunities

## Management approach



## Engagement with stakeholders



Delivering on stakeholder needs, interests and expectations is core to the way we operate. In FY 2021-22, we conducted a pan-India stakeholder engagement exercise to revisit the Environmental, Social and Governance (ESG) issues that are material to value creation amid the evolving global sustainability landscape. This has provided us with required clarity to address demands arising out of the engagement process in a prioritised manner.



| Stakeholders                   | Value proposition                                                                                                                                                                                                                                                                      | Importance of the relationships                                                                                                                 | Engagement types                                                                                                                                                                                             | Key concern areas                                                                                                                                         |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                      | Fair wages, Employee consultation system for working together, robust rewards and recognition schemes, opportunity for learning and growth and focus on employee well-being                                                                                                            | Key to the success of our business; their efforts are instrumental in delivering our strategies and for sustained business growth               | <ul style="list-style-type: none"> <li>• Training and skill upgradation Programs</li> <li>• Celebration of festivals</li> <li>• Awards ceremony</li> <li>• Workshops to boost cultural philosophy</li> </ul> | <ul style="list-style-type: none"> <li>• Work life balance</li> <li>• Skill development</li> <li>• Career growth</li> </ul>                               |
| Government & regulatory bodies | To be a responsible corporate citizen. Proactively track global and domestic developments for effective advocacy towards shaping future policies through Industry Associations, e.g. ISMA, WISMA, UPSMA which will further economic and social progress of stakeholders in the country | Ensure business continuity through compliance with all necessary legislations and regulations                                                   | <ul style="list-style-type: none"> <li>• Periodic compliance report</li> <li>• Statutory Audits</li> <li>• Filings and disclosures as required by norms</li> </ul>                                           | <ul style="list-style-type: none"> <li>• Pollution control and prevention.</li> <li>• Compliance to laws &amp; regulations</li> </ul>                     |
| Competitors                    | Provide indicators to benchmark and improve ourselves                                                                                                                                                                                                                                  | Healthy competition                                                                                                                             | <ul style="list-style-type: none"> <li>• Analysis of best practices adopted by peers</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>• Sector performance of peers</li> </ul>                                                                           |
| Suppliers/ cane farmers        | Building capabilities through skill development, growth opportunity, safe operations, opportunity to innovate                                                                                                                                                                          | Provide us operational leverage to optimise value chain, be cost-competitive, sustainable and exceed customer expectations                      | <ul style="list-style-type: none"> <li>• Regular supplier meets</li> <li>• Vendor assessment and review</li> </ul>                                                                                           | <ul style="list-style-type: none"> <li>• Timely payment for suppliers</li> <li>• Transparency in the payment process</li> </ul>                           |
| Customers                      | Strong brands, differentiated products and solutions, engineering support, partnering for growth                                                                                                                                                                                       | Reason for any business to exist; customers provide us an opportunity to build long-term mutually beneficial relationships                      | <ul style="list-style-type: none"> <li>• Regular feedback from customers</li> <li>• Customer satisfaction survey</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>• Pricing strategy</li> <li>• Quality of product</li> <li>• Product certification</li> </ul>                       |
| Media                          | Disclosing pertinent information with a focus of generating goodwill and ensuring transparency                                                                                                                                                                                         | Main medium of communicating with the extended stakeholders groups about the progress made by the organisation, important programmes and plans. | <ul style="list-style-type: none"> <li>• Senior management interview</li> <li>• Press conference</li> </ul>                                                                                                  | <ul style="list-style-type: none"> <li>• Universal, uniform and fair Company communication</li> <li>• Regular interactions</li> </ul>                     |
| Investors                      | <ul style="list-style-type: none"> <li>• Focus on deleveraging to create value</li> <li>• Better disclosures, transparency and credibility of financials</li> </ul>                                                                                                                    | Enablers to unlock the finance options for catalysing growth.                                                                                   | <ul style="list-style-type: none"> <li>• Quarterly financial reports</li> <li>• Annual general meeting</li> <li>• Periodic conferences</li> <li>• Press releases</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Dividends given by the Company</li> <li>• Increase in market share</li> <li>• Performance improvement</li> </ul> |

| Stakeholders            | Value proposition                                                                                                                                                                                                   | Importance of the relationships                                                                          | Engagement types                                                                                                                                                                                                                                                                | Key concern areas                                                                                                                                   |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial associations | Charter / policies to improve the overall performance of the industry. Sharing best practices and alignment of interests to present a unified view                                                                  | Engage with government and regulators to represent concerns of the industry and develop common solutions | • Tie-ups with industrial association                                                                                                                                                                                                                                           | • Regular communication                                                                                                                             |
| Community               | Enable sustainable and significant improvement in the well-being of communities proximate to our operating locations through innovative programmes with a primary focus on addressing sustainable development goals | Improving the reputation of the organization and being a responsible social citizen                      | <ul style="list-style-type: none"> <li>• CSR reports</li> <li>• Skill development programme</li> <li>• Meetings and consultation with people for the planning and implementation of programmes</li> <li>• Health and education initiatives</li> <li>• Water and soil</li> </ul> | <ul style="list-style-type: none"> <li>• Employment to local youth</li> <li>• Community infrastructure development</li> <li>• Livelihood</li> </ul> |

Dalmia Sugar serves communities including the most marginalised and voiceless sections across the districts covering the areas of its operations. In alignment with our core philosophy, we envision an enlightened, equitable society in which every individual realises his/her potential with dignity. This vision is enabled through the work our

Corporate Social Responsibility team does with different local communities to co-create transformative, efficient, and lasting solutions to their development challenges.

The efforts for community development are channelized through Dalmia Bharat Foundation (DBF). Dalmia Sugar is a part of Dalmia Bharat Group, which was

founded in 1935, and has been following the concept of giving back and sharing with the underprivileged sections of the society for more than eight decades. With joint effort, we have identified three CSR focus areas i.e., livelihood, climate action and social infrastructure.

## CSR focus areas

### Livelihood

Transforming households, including adding unemployed youth in to the skilled workforce for enhanced income.

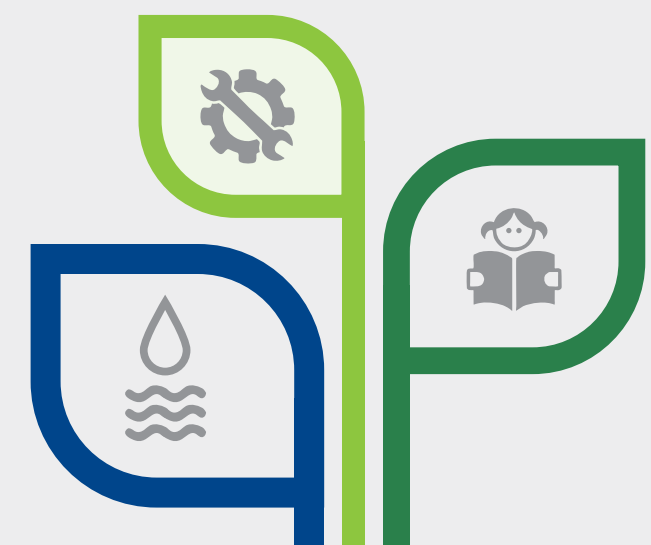
### Climate Action

**Water:** Harvesting and conserving water for productive use product development and product placement in market.

**Energy:** Ensuring access to clean cooking and lighting solutions.

### Social Infrastructure

Addressing basic health, education, rural infrastructural needs of the local community







## CSR Activities in various spectrum



### Livelihood

- 329 trainees completed their training during the financial year 2021-22 at two Centers of Dalmia Institute of Knowledge and Skill Harnessing (DIKSHA) and 170 trainees were pursuing their training as on 31st March 2022. In total, 1174 trainees passed from the two Centers since inception. Over 90% of the trainees who completed their training during the financial year, were gainfully employed and earn a monthly income ranging between INR 6,000 and INR 15,000.
- Under the Regenerative and Sustainable Sugarcane farming project in Maharashtra being implemented in partnership with Solidaridad India, a pilot with 150 farmers was initiated. Soil Analysis and Baseline studies have been completed. 75 Demonstration plots were and 1755 farmers have reaped.
- Under the Dairy Development Project being implemented by BAIF Institute for Sustainable Livelihoods and Development, 1756 Artificial Inseminations (AI) were performed and 1021 calves were born (577 female calves and 444 male calves) during the year.
- Under the Moonj craft development project, second batch of 40 Moonj Artisans completed their advanced training, while 20 women Master Trainers from the first batch underwent a week's training at Sharda University with a focus on product development, quality maintenance and marketing. At present,



140 women are actively involved at the Moonj production Centre. During the last quarter, women earned INR 3.5 lakh through sales and created an inventory worth INR 1.5 Lakh.

- Women members of 85 Self Help Groups (SHG) were linked to National Rural Livelihood Mission (NRLM) across all five programme locations and availed INR 69.50 Lakhs as loans for investing in various income-generating activities like Poshan Aahar, Farming, Mushroom cultivation, and milch animal rearing etcetera.
- 96 women SHG members are engaged in the supply of Poshan Aahar to children of 96 Anganwadi Centers, spread across 32 Gram Panchayats in Jawaharpur. This is under the Poshan Abhiyaan of Government of India, which aims at resonating women empowerment initiatives with the Integrated Child Development Scheme.

### Climate Action (water/energy)

#### Water

- 78 bore recharge wells were constructed across 30 villages in Ramgarh, Jawaharpur and Nigohi. Each bore well has the potential to harvest over 9000 Kilo Liters (KL) rain water annually, creating an annual harvesting potential of 7.23 lakh KL.
- Two Recharge Shafts and five Roof-top rainwater harvesting



structures were constructed during the financial year in Nigohi and Ramgarh, creating an annual water harvesting potential of 1.20 lakh KL.

- During the financial year, 750 farmyard manure units were promoted in Ramgarh, Jawaharpur and Nigohi, benefitting as many farmers. The units have a potential to meet the compost requirement of 750 acres annually. Some 604 vermicomposting units were also constructed with an annual potential to meet the compost requirement of around 241 acres of land.

#### Energy

- 1067 solar lanterns were promoted across all programme locations, helping families switch to a clean source for household lighting.
- 19 solar street lights were installed in six villages of Ninaidevi and Kolhapur. The initiative will enable easy and safe commute to villagers at night time and benefit around 13,000 villagers.

### Social Infrastructure

#### Health

- An eye check-up camp was organized in Kolhapur, in partnership with Lions Club. Some 150 villagers underwent primary eye examination. The persons identified with vision loss



were advised for corrective spectacles and 12 persons in need of surgery were operated upon at a subsidized cost.

- Four General Health camps were organized in three locations of Uttar Pradesh. Some 1000 people availed of primary health check-up services at the camps.
- A Primary Health Centre (PHC) in Kotoli village, Kolhapur, was given infrastructure support in the form of desktops, laptops, scanners, printers, air-conditioner and water purifiers, etc. The Health Centre caters to the neighboring population of 40,000 villagers.

#### Education

- 45 schools and one anganwadi were supported by providing refurbished infrastructure, furniture, whitewash of premises, painting of Building-as-Learning Aid (BALA) on walls, learning materials, digital classes, etc. that benefitted over 7,000 students in Kolhapur and Ninaidevi. Out of these, 20 schools were supported to set-up E-learning classrooms.
- School furniture was also provided to three government schools benefitting 855 students in Jawaharpur, Ramgarh and Nigohi.

#### Rural infrastructure

- 30 sanitary vending machines have been installed in as many anganwadis across Ramgarh, Jawaharpur and Nigohi. The vending machines are being managed by women self help groups.
- 1040 kitchen gardens were established across three locations of Uttar Pradesh, benefitting around 5200 villagers. The kitchen gardens will provide nutritious seasonal vegetables to the families and also save money in buying vegetables from market.
- Infrastructure works like cremation ground, hand pumps, dhobi ghat were undertaken across locations. Garbage pick-up trolleys were also provided to Porle Village, Kolhapur.





## Securing Value through Corporate Governance



**Shri Rajeev Bakshi**  
Chairman and Independent  
Director



**Shri Gautam Dalmia**  
Managing Director



**Shrimati Amita Misra**  
Independent Director

## “Dharmo rakshaati rakshitaha”.

If you protect your Dharma (duty with moral responsibility), in turn, your Dharma will protect you.

Ch VIII Shloka 15 Manu Smruthi

### Governance structure

It is DBSIL's certain conviction that good corporate governance plays a critical role in delivering an ethical culture, good performance in terms of profit, planet and people, effective control, trust and legitimacy. The Company is committed to the highest standards of business integrity, ethical behaviour and accountability, in the firm belief that the way we approach governance and leadership supports the DBSIL's accelerated value-creation process towards a green future.

Our corporate culture is founded on strong governance, highest ethical and professional standards, and a well-defined and effective system of governance.

#### Leadership

**Principle 1: The Board should lead ethically and effectively**

The Board leads the organisation in accordance with principles of integrity, fairness, transparency, due compliance,

accountability and responsibility towards stakeholders in addition to the commitment to conduct business in an ethical manner, through its various Committees constituted with defined terms of reference.

DBSIL has a well-established Code of Conduct for the Directors and Senior Management and policies and practices, which create a framework for effective leadership premised on an ethical foundation.

The Board's code of conduct, policies and practices outline matters such as Directors' dealings in the securities of the Company, vigil mechanism, related party transaction and ensure an appropriate balance of power and skills. Directors are required to annually confirm compliance with the code of conduct and all employees are required to apply the highest moral standards in their business dealings.

#### Organisational ethics

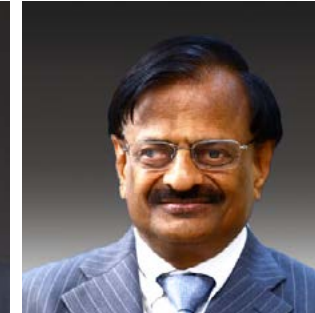
**Principle 2: The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**

The Board sets the tone of ethical leadership and management has the responsibility to execute and implement the Code(s) and policies, and through the Audit Committee exercises ongoing oversight of the effective management of the ethics programme, to ensure that an ethical culture is embedded in the Company.

The key elements of the Code include the Company's policy on human rights, principles of ethical business practice, conflicts of interest which includes a no gifts guideline and managing relationships with stakeholders, anti-competitive behaviour and vigil mechanisms. It also includes independently monitored reporting lines at all operations across



**Shri P. Kannan**  
Independent Director



**Shri T. Venkatesan**  
Non - Executive Director



**Shri Bharat Bhushan Mehta**  
Whole-time Director & CEO

geographic locations, the Company's stance against the intimidation and/or victimisation of whistle-blowers, and anti-corruption policies, amongst others.

#### Responsible corporate citizenship

**Principle 3: The Board should ensure that the organisation is and is seen to be a responsible corporate citizen**

DBSIL's responsible corporate citizenship is premised on a broader context and is informed by various initiatives, including the United National Global Compact, SDGs, the Global Reporting Initiative (GRI) Standards.

DBSIL's core values, strategy and conduct are congruent with it being a responsible and ethical corporate citizen, and these include sustainable development; human rights; impact on communities in which the Company conducts its operations; protection of the environment; fair labour practices; fair and responsible remuneration; employee well-being and development and public health.

The Board, through its Committees, oversees and monitors the Company's performance and activities relating to its status and role as an ethical, responsible corporate citizen, measured against set performance targets and in line with the Company's strategic mission to build our future by creating sustainable value for all our stakeholders.

As a part of our efforts to enhance our sustainability framework, an intense effort has in the past year gone into identifying areas where the health and welfare of our employees and community members, the sustainability of our suppliers, contractors and other partners, and the protection of the natural environment in which we operate can be improved while continuing to focus on shareholder value. Many process improvements have been implemented to engrain our ESG approach.

#### Strategy and performance

**Principle 4: The Board appreciates that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process**

The Board understands its responsibility for the organisational performance by steering and setting the direction for the realisation of the organisation's core purpose and values through its strategy.

The Board constructively deliberates upon the strategy taking into account various elements such as risks, opportunities, timelines and parameters. The Board has delegated to management the responsibility to implement and execute approved policies and operational plans.

#### Reporting

**Principle 5: The Board ensures that periodical reports issued by the Company enable stakeholders to make informed assessments of the Company's performance, and its short-, medium- and long-term prospects**

The Board endorses the principles of transparency and accountability in its Code of Conduct. This sets the tone for how the Company reports in terms of its strategy, business performance, prospects and outlook.

The Integrated Annual Report is the Company's primary communication tool to all stakeholders of the Company, as it provides an overview of the Company's financial as well as non-financial performance for the reporting period, with comparative data where applicable. In addition, corporate governance disclosures, and annual financial statements amongst others are published on the Company's website.





# Management Discussion and Analysis

At DBSIL, FY 2021-22 has been focussed on accelerating the gains from the newer paths that have been taking roots for the past 3-5 years primarily around the new segment emerged in the form of ethanol at the same time consolidating the achievements made in the sugar business with a focus on improving

resource efficiency and productivity. This progress can be analysed in the light of the emerging economic and business scenarios and the manner in which the business has been able to manoeuvre precisely towards stated objectives.



## Industry structure and developments

### Global economy

The ongoing conflict between Russia and Ukraine will have major ramifications

for the global economy, which is just recovering from the stress of the coronavirus pandemic. The International Monetary Fund (IMF) had pointed out earlier that Russia and Ukraine are major

commodity producers, and disruptions there have resulted in soaring global prices, especially that of oil and natural gas. With Ukraine and Russia accounting for up to 30% of the global exports for

wheat, food prices, too, have jumped. The IMF added that the entire global economy would feel the effects with slower growth and faster inflation.

The World Bank also said in its Spring 2022 Economic update for Europe and Central Asia that the conflict delivered a second major shock to the global economy in two years and caused a humanitarian catastrophe. "Even prior to the war, the global recovery had already been decelerating alongside intensifying geopolitical tensions, continued COVID-19 flare-ups, diminishing macroeconomic support, and lingering supply bottlenecks," it noted.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term.

### Indian economy

The UN Conference on Trade and Development (UNCTAD) report downgraded its global economic growth projection for 2022 to 2.6% from 3.6% due to shocks from the Ukraine war and changes in macroeconomic policies that put developing countries particularly at risk. India was forecast to grow at 6.7 per cent in 2022 and this projection has been downgraded to 4.6 per cent by UNCTAD.

Ukraine and Russia accounted for 2.2 per cent share of total imports of India in 2020. India mainly imports mineral fuels (34 per cent of the total imports), natural pearls and semi-precious stones (14 per cent), fertilisers (10 per cent), petroleum oils and crude (5.6 per cent) from Russia, and animal or vegetable fat and oils (74.9 per cent of the total imports), fertilisers

(11 per cent), and inorganic chemicals (3.5 per cent) from Ukraine. In the first advance estimates, the Economic Survey 2021-22 estimates India's GDP to grow at 9.2% in 2021-22, pegging the economic growth rate for the next fiscal in the range of 8-8.5%. The Survey does caution against the adverse impact of a new Covid-19 variant derailing growth plans in the future. Retail inflation hardened to 6.01% in January on the inflation front, crossing the RBI tolerance range of 2-6%<sup>1</sup>.

### Year-on-year growth – Indian economy<sup>2</sup>

|                     | FY 22 | FY 21 | FY 20 | FY 19 |
|---------------------|-------|-------|-------|-------|
| Real GDP growth (%) | 9.2   | (7.3) | 4.2   | 6.1   |

### Global sugar industry overview

Rallying energy markets, tight sugar availability, COVID lockdowns in China and logistical issues from the fallout of Russia's military invasion of Ukraine have

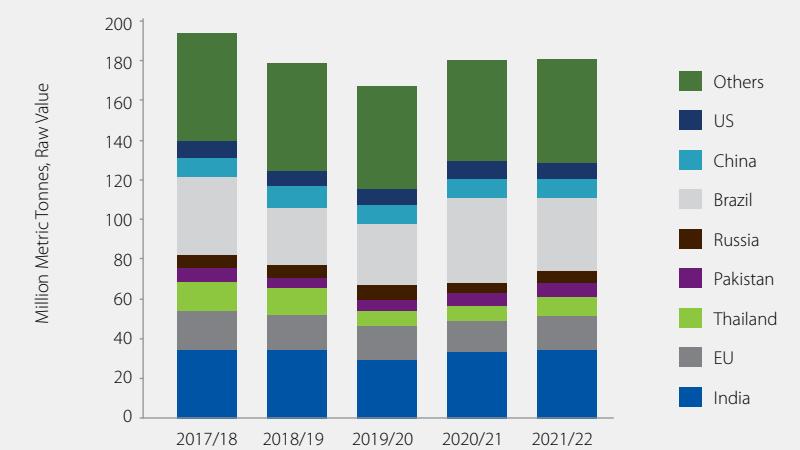
led to a surge in spot sugar prices across the globe. This may result in higher sugar price volatility in the near future due to uncertainty about how the war progresses. The geopolitical events have increased input costs for growers. These costs need to be absorbed by producers and passed on to end-users, which has resulted in high spot sugar prices.

Global production for Marketing Year (MY) 2021-22 is estimated flat at 181 million tons, with the drop in Brazil expected to be offset by gains in the European Union, India, Russia, and Thailand. Consumption is expected to rise due to growth in markets including China, India, and Russia. Stocks are lowered due to a drop in China, Indonesia, and Thailand. Exports are expected to be flat as the steep rise in Thailand trade is offset by lower shipments from Brazil.

<sup>1</sup> Indian Economic Survey 2021-22

<sup>2</sup> Indian Economic Survey 2021-22

### Global 2021/22 sugar production is estimated flat







## International Sugar Levels in Million Metric Tonnes

Mn MT

| Ratio                         | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22(P) |
|-------------------------------|---------|---------|---------|---------|------------|
| Production                    | 183     | 175     | 172     | 169     | 173        |
| Consumption                   | 174     | 174     | 170     | 171     | 174        |
| Surplus/Deficit               | 9       | 1       | 2       | (2)     | (1)        |
| End stocks                    | 93      | 93      | 100     | 97      | 96         |
| Stocks/consumption ratio in % | 53      | 54      | 59      | 57      | 55         |
| Raw Sugar Prices cts/lbs      | 13      | 12      | 13      | 16      | 19         |

Source: International Sugar Organisation (May'2022 Release)

### Indian sugar industry overview

As on May 15, 2022 as per Indian Sugar Mills Association (ISMA) 136 sugar mills were in operation in the country as on 15th May 2022 of total and produced 34.9.7 Million Metric Tonnes of sugar, as compared to 30.36 Million Metric Tonnes produced by 44 sugar mills as on 15th May' 2021. This is 4.61 Million Metric Tonnes or 15.2% higher as compared to the last season's production for the corresponding period.

Sugar exports are estimated to increase to over 10 Million Metric Tonnes in the current sugar year ending September, from 7.1-7.2 Million Metric Tonnes in the previous year, on better demand for the Indian sweetener from Indian sub-continent, Middle East and Indonesia. About 7.7 Million Metric Tonnes of sugar have been either physically exported out of the country or lying at the ports during October 2021-May 2022 period, as compared to about 4.824 Million Metric Tonnes exported in the last sugar year during the same period.

We revised India's production estimate to 35.6 Million Metric Tonnes for the 2021-22 sugar year. Export estimates has also been revised to over 10 Million Metric Tonnes. Considering the above and domestic consumption of 27.6 Million Metric Tonnes, there will be a closing balance

of 7.1 Million Metric Tonnes at the end of the sugar season on 30th September 2022. With Brazilian crops getting affected by frost in their 2021-22 crushing season, Indian mills have used the opportunity well without any government support and Indian sugar so far has been exported to 74 countries in the current sugar season.

### Indian sugarcane production and cost trends

The sugarcane production in the country during 2021- 22 has been around 455 Million Metric Tonnes, which is projected to increase by more than 10% and cross the 500 Million Metric Tonnes mark in the next crop cycle that will start in October. Furthermore, the 10% increase will bring the production of sugar to 36 Million Metric Tonne with a diversion of 4.5 Million Metric Tonnes, giving India an edge to bolster its ethanol production needs due to the growing crude oil prices.

### Statewise analysis

**Uttar Pradesh:** Sugarcane is cultivated on about 2.7 million hectares in Uttar Pradesh. The whole of northern UP is a Ganna Pradesh. The impact of sugarcane isn't only geographic. Taking an average one-hectare landholding, UP would have 2.7 million cane farmer families. The state produces 200 Million Metric Tonnes -plus of cane annually. All in all, some 4.5 million families in UP are directly dependent on

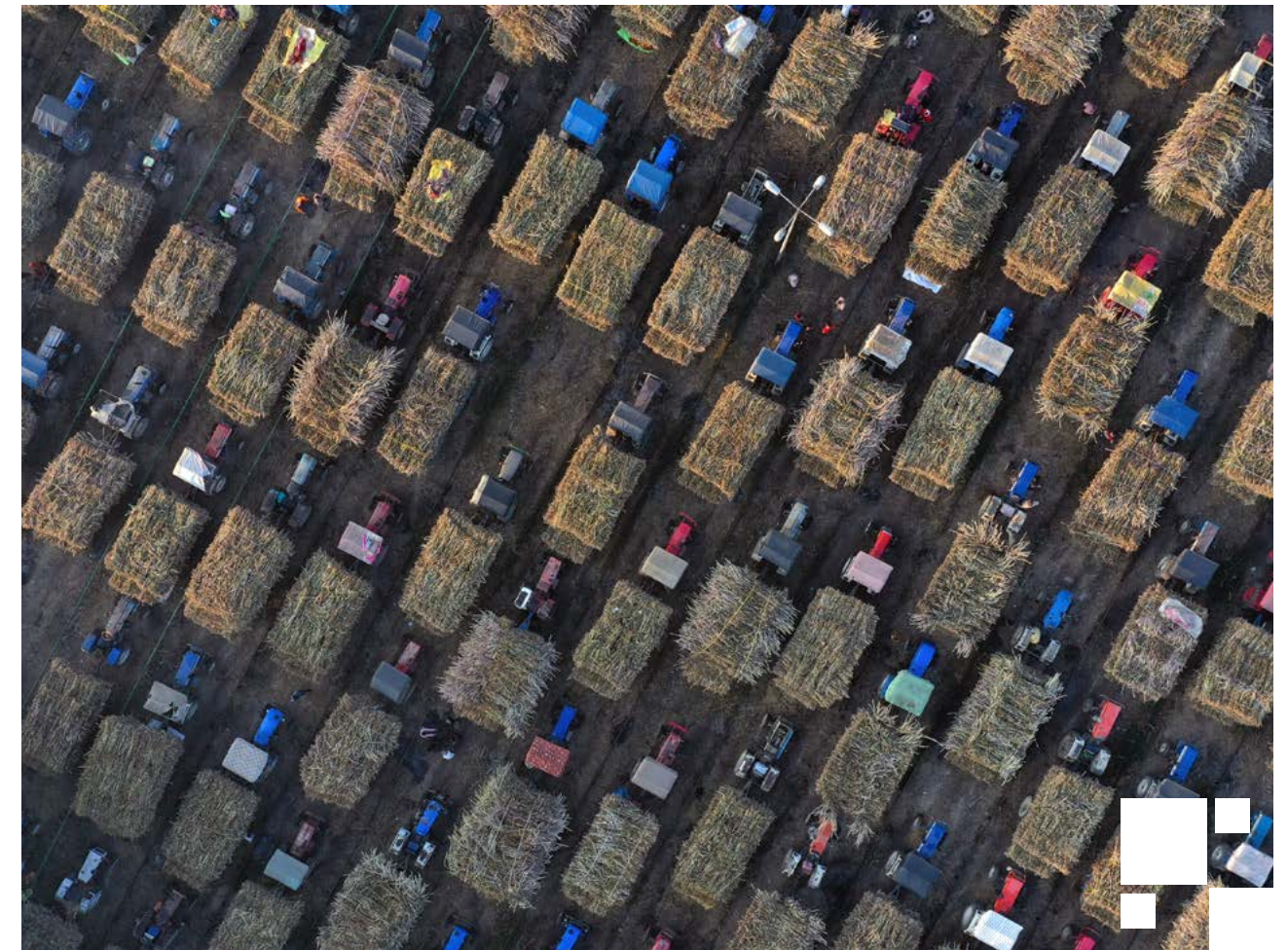
sugarcane. Inclusive of their members, they add up to 20 million persons — one in every 12 of UP's total estimated 240 million population.

The state has overtaken Maharashtra to be India's top sugar producer in the last five seasons (October-September) from 2016-17. It has also become the largest ethanol producer and the only state to achieve 10 per cent blending in petrol in 2020-21, one year ahead of the target for all-India.

**Maharashtra :** Maharashtra is expected to produce the most sugar in its history in the 2021-22 season, with a projected output of 13.8 Million Metric Tonnes, up 29% from the previous year. Maharashtra will be the nation's top sugar producer, surpassing Uttar Pradesh.

Sugar cultivation in the state increased by 90,000 hectares last year due to a bountiful monsoon. From SS 2020-21 to SS 2021-22, the area under cane increased from 1.14 million hectares to 1.23 million hectares. As a result, sugar production is expected to increase from 10.6 Million Metric Tonnes in SS2021-22 to 13.8 Million Metric Tonnes in SS 21-22. Maharashtra will approximately produce 39 percent of the country's total output.

Maharashtra has had a good monsoon for the past three years. Sugarcane production in Uttar Pradesh has decreased



due to a pest infestation. Despite increased sugar production, prices have remained stable in the domestic market, well supported by about 10 Million Metric Tonnes of sugar exports. Also, almost 3.5 Million Metric Tonnes of sugar have been diverted to the production of ethanol.

In Maharashtra alone, 1.16 Million Metric Tonnes of sugar have been shifted to ethanol production. According to officials, the increase in production has resulted in farmers' dues being settled more quickly.

### Sugar exports and imports

India's sugar exports surged 291 per cent to \$4.6 billion in the financial year 2021-

2022, according to the government data. As per DGCI&S data, India exported sugar to 121 countries across the globe.

Sugar export jumped 65 per cent in 2021-22 corresponding to the previous financial year. The growth was achieved despite logistical challenges posed by COVID-19 in the form of high freight rates, container shortages etc

### Market dynamics

Fair and Remunerative Price (FRP) for sugar season 2021-22 has been fixed at Rs. 290 per quintal linked to a basic recovery of 10% subject to a premium of Rs. 2.90 per quintal for each 0.1% increase of recovery

over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate till 9.5%.

With a view to protect the interest of farmers associated with sugar mills having recoveries lower than 9.5%, the Government decided that there shall not be any deduction in case where recovery is below 9.5%; such farmers will get Rs. 275.50 per quintal for sugarcane in the current sugar season.





## Business Review

DBSIL is a broad-based and integrated sugar company with extensive interests in sugar (B2B and B2C) and Ethanol production as well as power co-generation. Over the years, the proportion of non-sugar revenues in the overall revenues of the Company has increased, broadening the Company's profile and strengthening its countercyclicality.

When DBSIL went into the business of sugar manufacture more than two decades ago, it did so on the grounds that the product would be increasingly consumed in a country where sugar was a part of the national social fabric and that the Company could extend from the core manufacture of sugar to related areas. Besides, what prompted the Company's entry into the business was a relatively

stable sugar manufacturing technology that would make it possible to enhance output and make the business intrinsically profitable, as well as the availability of command areas from where cane could be increasingly accessed.

Even as the Company's focus is on enhanced ethanol capacity, there are a number of initiatives in progress to build a stronger business. In our sugar business, we commissioned a refinery of 1200 TPD in the Nigohi plant and 900 TPD in Jawaharpur Plant to manufacture refined sugar, which is being branded as Dalmia Utsav and marketed by our Company. This is an initiative whose full value will unfold only in the long-term when a sizable quantity of our bulk sugar production is utilised to manufacture branded sugar,

strengthening our visibility, respect and realisations.

We believe that India is marked by a growing premium on food hygiene and this direction will become increasingly relevant across the foreseeable future. There is room for our Company to leverage rich multi-decade farmer relationships and access a variety of agricultural resources for onward processing into finished branded products. The Company will continue to examine related opportunities and direction with the objective to graduate from a sugar-centric recall towards a wider foods personality across the foreseeable future.

## Operational Overview

### Sugar

The Company's sugar sales volume stood at 606 KMT, including the highest exports of 230 KMT. In Sugar Season (SS) 21-22, it reported a cane crush of 37.2 LMT in Uttar Pradesh and 15.77 LMT in Maharashtra.

### Sugar Balance sheet Domestic level

(in LMT)

| Ratio                                      | 2017-18    | 2018-19    | 2019-20    | 2020-21    | 2021-22(P) |
|--------------------------------------------|------------|------------|------------|------------|------------|
| Opening Stock as on 1st Oct.               | 39         | 107        | 146        | 107        | 82         |
| Production during the Season               | 325        | 332        | 274        | 312        | 357        |
| Imports                                    | 2          | 0          | 0          | 0          | 0          |
| <b>Total availability</b>                  | <b>366</b> | <b>439</b> | <b>420</b> | <b>419</b> | <b>439</b> |
| <b>Offtake</b>                             |            |            |            |            |            |
| i)Internal Consumption                     | 254        | 255        | 253        | 266        | 276        |
| ii)Exports                                 | 5          | 38         | 60         | 72         | 100        |
| <b>Total Offtake</b>                       | <b>259</b> | <b>293</b> | <b>313</b> | <b>337</b> | <b>376</b> |
| <b>Closing Stocks as on 30th September</b> | <b>107</b> | <b>146</b> | <b>107</b> | <b>82</b>  | <b>62</b>  |
| <b>Stock as % of internal consumption</b>  | <b>42%</b> | <b>57%</b> | <b>42%</b> | <b>31%</b> | <b>23%</b> |
| <b>Sugar diverted to ethanol</b>           | <b>0</b>   | <b>2</b>   | <b>7</b>   | <b>21</b>  | <b>35</b>  |

\*ISMA Estimates a net sugar production of 350 Lakh MTs in 2021-22 crop season

\* ISMA Estimates a diversion of 34.0 Lakh MTs in 2021-22 crop season

### Power

During the year, there was a considerable decrease in power generation. Production and exports fall in UP, as there were no operations during the off season on account of lower tariffs in UP.

### Distillery

Distillery production increased to 117.1 Crores Litres from 84.3 Crores Litres in the FY 2021-22. Ethanol tender quantity allotted for 11.60 Crores litres for Ethanol Year 21- 22 as against the last year's 8.8 Crores litres. With current expanded capacity we will be selling around 150 Million litres of Ethanol/ENA annually.

### Consumer pack

The brand of speciality sugar was launched last year and it crossed 10KMT mark in the first year of launch. 'Utsav' made persistent efforts to increase awareness about unhygienic and impure sugar. It promoted the brand as a reliable and trustworthy alternative to unpackaged sugar.

## Financial Overview

### Key performance metrics

| Parameters      | FY 22 (Rs. Cr) | FY 21 (Rs. Cr) | % increase/decrease |
|-----------------|----------------|----------------|---------------------|
| Total Revenue   | 3,080          | 2,739          | 12%                 |
| EBIDTA          | 488            | 526            | -7%                 |
| PBT             | 380            | 369            | 3%                  |
| PAT             | 295            | 270            | 9%                  |
| EPS (Rs./Share) | 36.48          | 33.38          | 9%                  |

### Analysis of Profit and Loss Statement

#### Revenues

The Company recorded the highest ever revenue at Rs. 3080 Cr due to increased distillery sales, higher sugar prices and highest ever exports.

#### Expenses

Operating expenses for the year stood at Rs 2700 crores for the FY 2021-22 as against Rs 2370 Crore during last year. The increase was primarily due to a liquidation of the opening inventory, higher cane costs due to cane rate hikes and increase in fixed costs.

#### Finance cost

On the back of a steep reduction in working capital borrowing and reduction in interest rates, finance cost for the FY 2021-22 stood at Rs. 35 Cr as against Rs. 62 Cr. in the last year.

### Analysis of Balance sheet

#### Sources of funds

##### Other equity

Other equity stood at Rs. 2298 Cr as on 31 March 2022 as against Rs. 2074 Cr as at 31st March 2021. The increase was on account of profits for the year as reduced by dividends paid during the year.

##### Long term borrowings

Long term borrowings as at 31st March 2022 stood at Rs. 337 cr as against Rs.

227 cr. The increase was on account of additional loans taken for distillery plant setups and expansions under interest subvention scheme to the tune of Rs. 230 cr. All of long-term loans outstanding as at the year end were covered under subsidized schemes of the Government.

##### Short term borrowings

Short-term borrowings got reduced substantially to Rs. 481 cr as against Rs. 731 cr last year due to lower loans taken during the year for working capital purposes. This was on the back of a generation of positive cash flows from operations.

##### Applications of funds

##### Property plant & equipment

PPE increased to Rs. 1531 Cr as against 1308 cr a year back due to major expansion drive of the Company. Major distillery expansion happened during the year and capacity of distillery got expanded to almost double from the one it was a year back.

##### Capital work-in-progress

CWIP as at 31st March 2022, is primarily on account of 100 KL grain distillery at the Jawaharpur location.

##### Investments

Long-term investments reduced to Rs. 444 cr from Rs. 462 cr a year back due to a reduction in fair value of equity

investments. The consequential impact is shown under Other Comprehensive Income for the year.

##### Working capital management

Current assets reduced substantially to Rs. 1684 cr as against Rs. 1828 cr due to a major liquidation of sugar stocks and subsidies received from Government during the year.

DBSIL as a production plan reduced the production of sugar during the year and diverted it to ethanol where in blockade per-se was substantially lower.

DBSIL is the only company which diverted around 25% of its sugar to ethanol, resulting in a substantial reduction of short term borrowings and a reduction in interest costs.

Current Liabilities of the company reduced to Rs. 918 cr as against Rs. 1175 cr mainly due to a reduction in short-term borrowings.

Current Ratio improved to 1.85 as against 1.56 in the last year.



## Key financial ratios

| Ratio                                   | FY 2021-22 | FY 2020-21 |
|-----------------------------------------|------------|------------|
| PAT to turnover ratio %                 | 10%        | 10%        |
| EBIDTA to turnover ratio                | 17%        | 14%        |
| Interest service coverage ratio (Times) | 14.40      | 8.50       |
| Debt-equity ratio (Times)               | 0.35       | 0.46       |
| Current ratio (Times)                   | 1.85       | 1.56       |
| ROCE %                                  | 12%        | 13%        |

## Strengths and opportunities

- Focus on cane development activities
  - Strong cash generating ability from the core business
  - Full season of operations even during Covid 19
  - Achieved many financial and operational milestones
- Launching new products
  - Technology up-gradation for by-product utilization is enhancing yields
  - Better farm practices can significantly increase yield and recovery
  - Sustainable sugar production is creating value for farmers, consumers, and business partners

## Risks and concerns

The Company is engaged in multiple businesses and there are unique risks associated with each business. The Company follows a well-structured Enterprise Risk Management (ERM) Policy, which requires the organisation to identify the risks associated with each business and to divide them based on their impact and probability of occurrence – at the business level and at the entity level. Mitigation plans are laid out for each risk along with designation of an owner thereof. It is the endeavour of the Company to continually improve its systems, processes and controls to improve the overall risk profile of the Company.

The ERM policy defines the risk parameters within which the businesses need to operate. It helps build a discipline within the organisation wherein all business decisions are taken after assessing the attendant risks and formulating effective mitigation plans to contain the impact

of such risks. Since the Company is engaged in diversified businesses having completely different risk profiles, the Risk Management Framework for each business has been devised considering its complexity and uniqueness.

The sugar business of the Company is Agro-based and is largely dependent on uncontrollable climatic factors and Government regulations and policies. the sugar business is exposed to significant external risks, which are uncontrollable and thus, it is imperative to optimise the controllable business productivity and efficiencies on a dynamic basis to counteract the impact of such external risks. Other internal risks are moderate and by and large predictable and manageable.

Some of the key external risks to which the sugar business is exposed and mitigation actions are described as follows:

### Dependence on the government's policies and support

Sugar output increased substantially higher than the country's capacity to bear, realisations declined, sugar manufacturers could barely report a surplus for years and the government policies required to support an extension from sugar to allied areas remained tentative. Increased production will lead to higher inventory holdings, increased working capital requirements, higher finance costs and liquidity constraints.

As a long-term solution for the sugar industry to be self-sufficient, the production of ethanol from B heavy molasses and sugarcane juice needs to be encouraged by offering more remunerative prices, which should result in setting up additional distillation capacities. There should be a mechanism to pay unviable component of the cane price directly by the Government.

## Sugar prices

Sugar prices have significant impact on the profitability and viability of sugar companies. In the event, the process goes below the break-even levels, losses may be inflicted, which may have a material impact on the financial position of the company to manage its operations, including payment of cane dues and to service debts.

There are various mitigations available against this key risk, internally and externally. The Government announces a monthly quota for sale in the domestic market, which ensures meeting demand adequately without any excessive supplies. Resultant by, the prices remain range bound and excessive volatility is avoided. The Government has prescribed a Minimum Selling Price of sugar below which sugar mills are not permitted to sell sugar. This mechanism avoids situations of collapse in the sugar prices due to overproduction in the country or temporarily excessive supplies in the market. Higher recoveries lead to a low cost of production of sugar and

enables the sugar mill to tide over market variations in sugar prices and make the sugar operation profitable. The sugar business of the Company comprises an adequate mix of cogeneration and distillation and because of diversified revenue streams, it is in a better position to overcome various risks.

### Increase in cane price

An increase in cane price may have a significant impact on the financial position of the Company unless its impact is compensated by a commensurate increase in sugar prices.

### Climatic factors and cane variety

The climatic factors such as monsoon, flood, drought and crop disease impact the yield and sugar recovery from cane. Lower yields result in lower cane availability to sugar mills whereas lower sugar recovery leads to a higher cost of production. Our main cane variety, which has more than 90% of the total cane, is susceptible to Red Rot infectantion.

The team responsible for cane sourcing of the Company are vigilant and after the sowing season, they monitor the growth of sugarcane and disease infestation so that timely action can be taken to avoid or minimise the damage. Shifting to other best varieties under Project Parivartan, imparting knowledge to farmers to convince them to switch and more impetus on varietal development and other cane development activities

### Water Conservation and Soil Health:

Sugar cane is a water-intensive crop with a large dependence on ground water and soil management to be improved to maintain soil fertility. DBSIL mainly focuses on ground water recharge through ponds and recharge wells, prime impetus to water conservation through drip irrigation and treating the waste water and supplying for irrigation. Soil health cards for optimum fertilizer uses, promoting intercropping and organic fertilizers and Imparting knowledge to farmers are a few mitigation actions taken by the company to improve soil health.

## Internal control systems and their adequacy

The internal control systems are structured and commensurate with the size of operations of the Company. It is an integral part of the general organizational structure of the Company. The policies and procedures adopted by the Company ensures the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Stringent procedures ensure high accuracy in recording, as well as

provide reliable financial and operational information, while meeting statutory compliances and safeguarding assets from unauthorised use.

The Company's internal team and an independent internal auditor monitors business operations and any deviations are immediately brought to the notice of the Management and Audit Committee for timely correction.

The internal auditors conduct regular internal audits as per approved plans; the Audit Committee reviews periodically the

adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required. There are established Cause-Effect-Action (CEA) systems and escalation matrices to ensure that all critical aspects are addressed well in time. A wide spectrum of strategies are devised as a follow-up measure to protect the Company from such uncertain events. Special audits are also conducted as directed by the Management. The Company's robust IT architecture safeguards sensitive data and accelerates the audit process.





## Material developments in Human Resources

The Company believes that human capital is the most critical asset of an organisation for achieving sustainable growth. The Company provides a good quality of life to employees through an open environment that is supportive of their personal and professional development. Inducing a joyful working environment increases the productivity and efficiency of employees.

DBSIL undertakes various employee engagement activities such as workshops, events, festival celebrations, outbounds, etc. to boost the Company's cultural philosophy. The Company takes utmost care to keep the employees engaged and upgrades their skills while provide learning opportunities. Bottom-up approach is adopted in training, under which unit specific training and skill development needs are identified. 'Nalanda', a team at the Dalmia Group level, identifies learning the needs of employees and helps in designing learning programs. Training and awareness programs are conducted frequently so that employees are aware of Policies, Code of Conduct, Whistle Blower

Mechanism, safety approach etc.

The health and safety of employees is of paramount importance and it is endeavoured to inculcate 'Zero accident' culture at plants. DBSIL strives to build organisational capability, implementing a 'safety first' approach. Third party safety audits are conducted periodically, post which recommendations are implemented.

DBSIL's human relations function works with the units to ensure that there is no violation of human rights. Strict action is taken against the offender in case of any violation. Discrimination based on any ground is not tolerated and employees are encouraged to behave in accordance with the Code of Conduct. DBSIL is committed to promote a diverse workforce and objects to any kind of discrimination based on gender, age, colour, religion, race or nationality. DBSIL hires and promotes employees strictly on the basis of their suitability, qualification, talent and performance with respect to the assigned

role. Regular inspections of plants and offices are conducted to check that no violations of human rights occur.

DBSIL recognises employee needs to form trade unions so that they can put forward their aspirations to the senior management. DBSIL has trade unions in Maharashtra facilities in which almost 86% of the employees are covered. There are no unions in the Uttar Pradesh facilities. Interactions between senior management and employees are conducted periodically to maintain cordial relations. While offerings on physical health have been extended, a significant focus is now on emotional health, unlike earlier. DBSIL is offering systemic ways to enable employees to be in charge of their feelings and thoughts to understand how they relate to the self and enable them to manage challenges better.

The Company's employee strength stood at around 2500 as on 31st March, 2022

## Cautionary statement

The statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations

## Compliance and Ethics

Good governance is a way of life at DBSIL. We are committed to and guided by the Code of Conduct built around the core values of Integrity, Trust and Respect, Humility and Commitment.

### Compliance aspects

#### Mandatory requirements:

The Company complies with all applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

#### Discretionary requirements:

The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

### Overview

The policy relating to ethics, transparency and accountability includes a Code of Business Conduct and Ethics prescribed by the Company for all its employees including the Directors. The Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy. DBSIL has high standards of ethical practices. We ensure the integrity and ethical practices across all our dealings as well as those involving our supply chain partners, who are

required to follow practices on human rights anti-bribery and anti-corruption. We are constantly improving our governance framework and policies by benchmarking to best practices and creating awareness of the Code of Conduct.

### Cases and KPI Data

During the financial year 2021-22, the Company received 143 investor complaints related to inter alia to the non-receipt of annual report/dividend warrant/securities certificates after transfer/transmission / demat / duplicate issue. All complaints were resolved satisfactorily. Besides, seven complaints were received from various stakeholders through the ethics helpline on issues related to misuse of authority and misappropriation. All the complaints were promptly investigated and resolved.

### Leadership engagement

At DBSIL, 'Responsible growth & Business ethics' is a material aspect that is most vital and significant. Our corporate governance framework and philosophy originate from our responsibility towards maximizing stakeholders' value. It is a systematic continuous process that ensures an enhancement in wealth-generating capacity and long-term success. We believe in system-driven performance and accord the highest priority to it. We believe that growth and efficiency are blended with governance and ethics. The Board of Directors, guided by the mission

statement, formulates strategies and policies having that focus on optimizing value for various stakeholders including consumers, shareholders, and society at large. DBSIL provides good quality of life to employees through an open environment that is supportive of their personal and professional development. Our employees work in accordance with our code of conduct. We have an ethics helpline number through which employees can file a complaint whenever they come across any unethical behavior. The anonymity of reporters is maintained, and reports to the ethics helpline are sent to the ethics committee and Audit Committee regularly. The Code of Conduct for Directors and Senior Management, Whistle Blower Policy and Vigil Mechanism, Related Party Transactions Policy, and Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, amongst others, serve as a roadmap for all employees of the Company and other stakeholders, wherever applicable. The Company has adequate control measures in place to address the issues relating to ethics, bribery, and corruption.

### Communication and Training

The Nalanda team identifies the learning needs of employees and designs learning programs. The HR team identifies training needs for every performance year after the annual performance review on the basis of business and individual requirements.



## DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

Registered Office: Dalmiapuram, District Tiruchirapalli - 621651, Tamil Nadu  
Phone No. 04329-235132 Fax No. 04329-235111  
CIN L15100TN1951PLC000640 Email: corp.sec@dalmiabharat.com  
Website: www.dalmiasugar.com

## NOTICE

Notice is hereby given that the Seventieth Annual General Meeting of the members of the Company will be held on Thursday, August 04, 2022 at 10.30 a.m. through video conferencing/other audio video means ("VC/OAVM") to transact the following business:-

### ORDINARY BUSINESS:

- To consider and adopt the (a) audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, and the Reports of the Auditors and Directors thereon; and (b) audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 and the Report of the Auditors' thereon.
- To consider and declare final dividend of Rs. 1/- per equity share of Rs. 2/- for the financial year 2021-22.
- To consider and appoint a Director in place of Shri Bharat Bhushan Mehta (DIN 00006890), who retires by rotation and being eligible offers himself for re-appointment.
- To consider and approve the re-appointment of M/s. NSBP & Co., Chartered Accountants, the statutory auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. NSBP & Co., Chartered Accountants, having registration No. 001075N be and are hereby re-appointed as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting to be held in the year 2027 at a remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

### SPECIAL BUSINESS:

- To consider and ratify the remuneration of M/s R. J. Goel & Co., Cost Accountants, the Cost Auditors of the Company for the financial year 2022-23 and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of M/s R. J. Goel & Co., Cost Accountants (Firm Regn. No. 000026), appointed by the Board of Directors on the recommendation of the Audit Committee as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23, amounting to Rs. 3,75,000/- besides applicable taxes and reimbursement of travel and other out of pocket expenses to be incurred by them for the purposes of cost audit be and is hereby ratified."

- To consider and approve payment of remuneration to Mr. Rajeev Bakshi, Chairman (Non-Executive & Independent Director), for the Financial Year 2021-22, which may exceed fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder, and other applicable provisions, if any, as amended from time to time, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Rajeev Bakshi (DIN: 00044621), Chairman (Non-Executive and Independent Director), for the Financial Year 2021-22, which may exceed fifty per cent of the total remuneration that may be payable to all Non-Executive Directors of the Company for the Financial Year 2021-22.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Aashhima V Khanna

Company Secretary

Membership No. ACS- 34517

Place: New Delhi

Dated: May 24, 2022

## KEY INFORMATION

| S. No. | PARTICULARS                                                                                                                                                                                                      | DETAILS                                                                                                                                                                                                                                                           |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Link for attending live webcast of the Annual General Meeting ("AGM") through Video Conferencing ("VC")                                                                                                          | Follow e-voting process mentioned in the notice.                                                                                                                                                                                                                  |
| 2      | Link for e-voting [remote/at the AGM]                                                                                                                                                                            | Follow e-voting process mentioned in the notice.                                                                                                                                                                                                                  |
| 3      | Username and password for VC and e-voting                                                                                                                                                                        | Please use the e-voting credentials.                                                                                                                                                                                                                              |
| 4      | Helpline number for VC and e-voting                                                                                                                                                                              | NSDL - 1800 1020990, evoting@nsdl.com                                                                                                                                                                                                                             |
| 5      | Registrar and Share Transfer Agent                                                                                                                                                                               | KFin Technologies Private Limited<br>Unit: Dalmia Bharat Sugar and Industries Limited<br>Mr. Bhaskar Roy<br>E-mail: einward.ris@kfintech.com;<br>Contact No.: 040 - 6716 2222                                                                                     |
| 6      | Cut-off date for e-voting                                                                                                                                                                                        | Thursday, July 28, 2022                                                                                                                                                                                                                                           |
| 7      | Corporate/Institutional Members to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the authorised representative(s) | gera.consultant@gmail.com on or before July 31, 2022                                                                                                                                                                                                              |
| 8      | Speaker registration and period for submission of questions, if any, in advance and e-mail address                                                                                                               | Commences at 9 AM IST on Friday, July 29, 2022 and ends at 5 PM IST on Sunday, July 31, 2022<br>Post / send at Khanna.aashima@dalmiasugar.com<br>or during the remote e-voting cycle, you can register under shareholder/member login option at the NSDL Website. |
| 9      | Remote e-voting period                                                                                                                                                                                           | Monday August 01, 2022 at 9.00A.M. and ends on Wednesday, August 03, 2022 at 5:00 P.M                                                                                                                                                                             |
| 10     | Last date for publishing results of the e-voting and results availability                                                                                                                                        | Saturday, August 06, 2022                                                                                                                                                                                                                                         |

### Notes:

- Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www. dalmiasugar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and





www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 02/2022 dated May 05, 2022.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, August 01, 2022 at 9:00 A.M. and ends on Wednesday, August 03, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 28, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up

equity share capital of the Company as on the cut-off date, being July 28, 2022

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders                                                                                                                                                                                                                                                                                                                                                                                             | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL.                                                                                                                                                                                                                                                                                                                                              | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <div>NSDL Mobile App is available on</div> <div> </div> <div> </div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Type of shareholders                                                                                   | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                     | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.                                                                                                                                                          |
|                                                                                                        | 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                                                        | 3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                        | 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.                                                                                                                                                           |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type                                                         | Helpdesk details                                                                                                                                                                                                                |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 |

#### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

##### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                        |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****                                                   |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| c) For Members holding shares in Physical Form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
| 5. Password details for shareholders other than Individual shareholders are given below:                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                           |
| a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                           |
| b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.                                                                                                                                                                                                                                              |                                                                                                                                                           |
| c) How to retrieve your 'initial password'?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                           |
| (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'. |                                                                                                                                                           |
| (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                           |
| 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                           |
| a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> .                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                           |
| b) <b>Physical User Reset Password? (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</b>                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                           |
| c) If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.                                                                                                                                                                                                                                                                |                                                                                                                                                           |
| d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                           |
| 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                           |
| 8. Now, you will have to click on "Login" button.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                           |
| 9. After you click on the "Login" button, Home page of e-Voting will open.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                           |

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gera.consultant@gmail.com](mailto:gera.consultant@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Abhishek Mishra at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [corp.sec@dalmiabharat.com](mailto:corp.sec@dalmiabharat.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [corp.sec@dalmiabharat.com](mailto:corp.sec@dalmiabharat.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the

day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views/ask questions during the meeting may log in to <https://eservices.nsdl.com/> and post their queries/views/questions in the window provided by mentioning the name, email id, demat account number/folio number, mobile number. Please note that a members question will be answered only if he continues to hold the shares as of cut-off date.
- Due to limitations of transmission and coordination during the question & answer session, the Company dispense with the speaker registration during the E-AGM.



**EXPLANATORY STATEMENT****(Pursuant to Section 102 of the Companies Act, 2013)****Item No. 4:**

M/s. NSBP & Co., Chartered Accountants, having firm registration No. 001075N, were appointed as Statutory Auditors of the Company at the 65th Annual General Meeting ('AGM') held on August 31, 2017 for a period of five years, up to the conclusion of 70th Annual General Meeting. M/s. NSBP & Co., are eligible for re-appointment for a second terms of five years. M/s. NSBP & Co. have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. NSBP & Co have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. The Auditors have confirmed their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit and that the firm holds the 'Peer Review' certificate as issued by the Peer review Board of the 'Institute of Chartered Accountants of India'.

Based on the recommendations of the Audit Committee and the Board of Directors, it is proposed to re-appoint M/s. NSBP & Co, Chartered Accountants as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 70th AGM till the conclusion of the 75th AGM of the Company. The Board of Directors has approved a remuneration of Rs. 20,00,000/- for conducting the audit for the financial year 2022-23, besides applicable taxes, tax audit and reimbursement of travel and other out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second term is in line with the existing remuneration and commensurate with the services to be rendered by them during the said tenure. The Board of Directors may, on recommendation of the Audit Committee and in agreement with the Statutory Auditors, decide the remuneration for the remaining term of the Statutory Auditors.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution

**Item No. 5:**

In terms of Section 148 of the Companies Act, 2013, the Board of Directors of the Company has in its meeting held on May 24, 2022,

on the recommendations of the Audit Committee, appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23 to audit the cost records of the Company.

The Board has also approved and recommended a remuneration of Rs. 3,75,000/-, besides applicable taxes and reimbursement of travel and other out of pocket expenses, payable to the Cost Auditors for conducting the Cost Audit subject to ratification by the members in terms of Section 148(3) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, in the Resolution set out at Item No. 5.

The Directors recommend the Resolution set out at Item No. 5 to be passed as an Ordinary Resolution.

**Item No. 6:**

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every listed entity is required to obtain approval of members of the Company by way of Special Resolution for payment of remuneration to a Non-Executive Director which is in excess of fifty percent of the total remuneration payable to all Non-Executive Directors of the Company during a year.

The Board of Directors, at its meeting held on May 24, 2022, has decided that the remuneration payable to Mr. Rajeev Bakshi for the financial year 2021-22 may exceed fifty percent of the total remuneration that may be payable to all Non-Executive Directors of the Company and thus it is necessary to take approval of shareholders by way of Special Resolution.

Mr. Bakshi has vast leadership experience of over 40 years across food and FMCG businesses and has in-depth knowledge in areas of consumer business and general management. He provides strategic guidance to the Company and steers the Board functioning in the Company's best interests. Taking into account the experience and contribution made towards the Company by Mr. Rajeev Bakshi, the Board recommends the resolution at item no. 6 for approval of the Members by means of a Special Resolution. The details of remuneration of Mr. Rajeev Bakshi for the Financial Year 2021-22, is given under the Corporate Governance Report forming part of the Annual Report. Mr. Bakshi or his relatives do not hold any equity shares in the Company.

None of the Directors, except Mr. Bakshi, or Key Managerial Personnel of the Company or their relatives is concerned or interested, in the Resolution set out at Item No. 6.

# Directors' Report

*Dear members*

Your Directors have pleasure in presenting their 70th report on the operations and business performance of your Company along with the audited Financial Statements for the financial year 2021-22.

**Financial Highlights**

(₹ in Crore)

| Particulars                                   | FY 2021-22      | FY 2020-21      |
|-----------------------------------------------|-----------------|-----------------|
| Net Sales Turnover                            | 3018.25         | 2685.57         |
| EBIDTA                                        | 487.83          | 525.92          |
| Less: Interest & Financial Charges            | 34.82           | 61.86           |
| PBDT                                          | 453.01          | 464.06          |
| Less: Depreciation & Impairment review impact | 72.92           | 95.55           |
| PBT                                           | 380.09          | 368.51          |
| Less: Tax                                     |                 |                 |
| Current Tax                                   | 98.33           | 101.62          |
| Deffered Tax                                  | (13.49)         | (3.31)          |
| PAT from continuing operations (a)            | 295.25          | 270.20          |
| PAT from discontinued operations (b)          | (1.61)          | (0.70)          |
| PAT (a) + (b)                                 | 293.64          | 269.50          |
| Add: Surplus brought forward                  | 1,737.16        | 1,467.66        |
| <b>Balance available for appropriation</b>    | <b>2,030.80</b> | <b>1,737.15</b> |
| <b>Appropriations</b>                         |                 |                 |
| Dividend                                      | 48.55           | -               |
| <b>Balance carried Forward</b>                | <b>1,982.25</b> | <b>1,737.16</b> |

**Operational and Business Performance**

During the year under review, your Company has doubled its distillery capacity (by way of increasing existing capacity and also by setting up new distillery at Ramgarh Unit) and increased its sugar capacity at Jawaharpur and Nigohi Units.

Your Company has successfully commissioned its brownfield

projects including expansion of capacity at its Jawaharpur and Nigohi Units to 9250 TCD and 9000 TCD, respectively along with refinery at Jawaharpur.

Also, Ramgarh Distillery of 140 KLPD has got commissioned and Jawaharpur and Kolhapur distilleries have expanded to 220 KLPD and 120 KLPD, respectively, during the year under review.

**Achievements during the year:**

- In SS 22, diverted around 1.6 LMT (i.e. approx. 25% of total sugar) towards ethanol, which is highest in the industry.
- Highest ever ethanol production and sales during the financial year.
- Highest ever sugar exports during the year - 2.3 LMT.

**Financial milestones:**

- |                          |     |
|--------------------------|-----|
| ■ Turnover - ₹3080 Crore | 12% |
| ■ PBT - ₹380 Crore       | 3%  |
| ■ PAT - ₹295 Crore       | 9%  |

**Operational milestones:**

- Sugar sales at 6.08 LMT including highest ever export at 2.30 LMT.
- Distillery production at 11.71 Crore Litres.
- Distillery sales at 11.19 Crore Litres.
- Crush of Maharashtra units at 15.77 LMT.
- Normative Sugar recovery blended for both the regions.
- Further, the working results for key businesses are attached and marked as **Annexure - 1** and forms part of this report.

**Management Discussion and Analysis Report**

Management Discussion and Analysis of financial performance and results of operations of the Company for the year under review, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), giving detailed analysis of the overall industry structure, economic developments, performance and state of affairs of your Company's business and material developments during the financial year 2021-2022 is provided in a separate section and forms part of the Annual Report.

The Company continued to be engaged in the same business during the financial year 2021-2022. There were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

**Dividend**

The Board of Directors has, at its meeting held on May 24, 2022, recommended a final dividend of ₹1/- ( 50%) per equity share of the face value of ₹2/- for the FY 2021-22, having considered various financial and non-financial factors prevailed during the year, in terms of the Dividend Distribution Policy of the Company. The dividend shall be paid upon approval by the members at the Annual General Meeting to all the shareholders (with respect to shares held in physical form) / beneficial owners (with respect to shares held in Demat form) whose names appear in the Register of Members / Beneficial Owners as on the Record Date, i.e., July 13, 2022. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividend shall be paid to the shareholders after deduction of applicable tax at source.

During the year under review, the Board of Directors of the Company had, at its meeting held on February 04, 2022, declared an Interim dividend of ₹3/- (150%) per equity share of the face value of ₹2/- for the FY 2021-22. The interim dividend was paid to the shareholders on February 25, 2022.

For the previous FY 2020-21, the Company had paid a dividend of ₹3/- (150%) to its shareholders as against ₹4/- (150% - interim dividend and 50% - recommended final dividend) for the year under review.

The Dividend Distribution Policy of the Company is available at the website of the Company at <https://www.dalmiasugar.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf>.

**Transfer to General Reserves**

Your Directors have not proposed transfer of any amount to the General Reserve for the year under review.

**Consolidated Financial Statements**

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Consolidated Financial Statements of the Company and its subsidiary for the financial year 2021-22 have been prepared and form part of the Annual Report.

**Subsidiaries, Associates and Joint Venture Companies**

The Company has one wholly owned subsidiary as on March 31, 2022, i.e., Himshikhar Investment Limited and it is not a material unlisted subsidiary of the Company in terms of the SEBI Listing Regulations, as amended from time to time, and the Company's Policy for determining Material Subsidiary. The said Policy may be accessed at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Policy-on-Material-Subsidiaries.pdf>.

The Company has no Associates or Joint Venture companies. A statement containing the salient features of the Financial Statements of the Company's subsidiary for the financial year ended on March 31, 2022 in Form AOC 1 is attached and marked as **Annexure - 2** and forms part of this report.

The Financial Statements of the Company prepared on standalone and consolidated basis including all other documents required to be attached thereto and the Financial Statements of

the Subsidiary Company are placed on the Company's website at [www.dalmiasugar.com](http://www.dalmiasugar.com). Any member desirous of obtaining a copy of these documents may write to the Company Secretary in terms of Section 136 of the Companies Act, 2013.

**Scheme of Amalgamation**

The Scheme of Amalgamation involving amalgamation of the wholly owned subsidiary namely Himshikhar Investment Limited with the Company is pending for pronouncement of order by the Hon'ble National Company Law Tribunal, Chennai. Once Scheme is sanctioned and order is pronounced, the Scheme shall become effective with effect from the Appointed Date, i.e., April 01, 2021.

Pursuant thereto, the Company shall surrender the NBFC registration of Himshikhar Investment Limited to the Reserve Bank of India and same would result in rationalization of the legal and regulatory compliances; administrative, compliance and other operational costs and integration of resources of both the companies.

**Directors, Chief Executive Director and Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Bharat Bhushan Mehta, Whole-time Director & Chief Executive Office (DIN:00006890), is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and has offered himself for reappointment. The Board of Directors recommends his reappointment.

All the Independent Directors of the Company, namely Shri Rajeev Bakshi, Smt. Amita Misra and Shri P. Kannan have given declaration(s) that they meet the criteria of independence.

At the 69th Annual General Meeting of the Company held on September 21, 2021, the appointment of following Directors was approved by the shareholders:

1. Shri Gautam Dalmia (DIN: 00009758) as the Managing Director of the Company for a period of five years with effect from January 16, 2022;
2. Shri Bharat Bhushan Mehta (DIN: 00006890) as the Whole Time Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2022; and
3. Shri Rajeev Bakshi (DIN 00044621) as an Independent Director of the Company for a period of five years with effect from February 05, 2021.

In terms of Section 203 of the Companies Act 2013, Shri Gautam Dalmia, Managing Director, Shri Bharat Bhushan Mehta, Whole Time Director and Chief Executive Officer, Shri Anil Kataria, Chief Financial Officer and Ms. Aashhima V Khanna continue to hold their positions as Key Managerial Personnel of the Company.

**Board Meetings**

During the year under review, the Board of Directors of the Company met six times, i.e., on May 24, 2021, July 30, 2021, October 29, 2021, December 29, 2021, February 04, 2022 and March 23, 2022. The Board meetings were conducted in due

compliance with; and following the procedures prescribed in the Companies Act, 2013, SEBI Listing Regulations and applicable Secretarial Standards. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of the Annual Report.

**Committees of the Board**

During the year under review, the Board of Directors was supported by six Board level Committees viz, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee.

The details with respect to the composition and number of meetings held during the financial year 2021-22 and attendance of the members, terms of reference and other related matters of the Committees are given in detail in the Corporate Governance Report, which forms part of the Annual Report. The recommendations made by the Committee(s) during the year under review have been accepted by the Board of Directors.

**Annual Evaluation of Board Performance and Performance of its Committees and of Directors**

During the year under review, the annual evaluation of performance of the Board, Committees and individual Directors was carried out by the Independent Directors, Nomination and Remuneration Committee and Board of Directors in compliance with the Companies Act, 2013 and SEBI Listing Regulations.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed inter-alia on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Directors were evaluated on various aspects such as attendance and contribution at Board/Committee meetings and guidance/support to the management outside Board/Committee meetings.

The performance of Non-Independent Directors, Board as a whole and the Chairman was evaluated in a separate meeting of Independent Directors. Similar evaluation was also carried out by the Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on the feedback of the Directors and on due deliberations of the views and counter views, the evaluation was carried out in terms of the Nomination and Remuneration Policy.

The evaluation confirmed that the Board and its Committees continued to operate effectively and the Directors had met the high standards professing and ensuring best practices in relation to corporate governance of the Company's affairs.





## Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, state that:

- In preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the following objectives:

- To ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations;
- To set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;
- To recommend to the Board, the remuneration payable to senior management;
- To adopt best practices to attract and retain talent by the Company; and
- To ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration policy of the Company can be accessed at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Nomination-and-Remuneration-Policy.pdf>.

## Particulars of remuneration of Directors, Key Managerial Personnel and Employees

The details relating to the ratio of the remuneration of each Director to the median employee's remuneration and other prescribed details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as **Annexure - 3** and forms part of this report.

None of the Directors or Managing Director or Whole Time Director and CEO of the Company, received any remuneration or commission from the Subsidiary Company of your Company.

A statement showing the names of the top ten employees in terms of remuneration drawn and other employees drawing remuneration in excess of the limits set out in Rules 5(2) and other particulars in terms of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as **Annexure - 3A** and forms part of this report.

## Share Capital

During the year under review, there was no change in the Issued, Subscribed and Paid up equity share capital of the Company and it remained ₹16.19 Crore consisting of 8,09,39,303 equity shares of ₹2/- each.

## Investor Education and Protection Fund

During the year under review, the Company has transferred ₹66,08,322 towards unclaimed dividend amount on the shares already transferred to Investor Education and Protection Fund. However, no shares were due and transferred to Investor Education and Protection Fund during the year under review.

## Annual Return

In terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed at [www.dalmiasugar.com](http://www.dalmiasugar.com).

## Corporate Governance Report

Your Directors are committed to achieve the highest standards of ethics, transparency, corporate governance and continue to comply with the Code of Conduct. The endeavour is to enhance the reputation as a responsible and sustainable Company to attract and retain talents, customers, suppliers, investors and to maintain fulfilling relationships with the communities.

The strong corporate governance and zeal to grow has helped us to deliver the best value to the stakeholders. We have always been positively cautious about the near term and optimistic about the medium and long term in view of the improved macro indicators for the economy, significant growth in public spending and focused execution plans.

The Corporate Governance Report of the Company for the financial year 2021-22 as per the SEBI Listing Regulations is attached hereto and forms part of the Annual Report.

## Business Responsibility and Sustainability Report

Your Directors have voluntarily provided Business Responsibility and Sustainability Report for the FY 2021-22, which is mandatory for top 1000 companies by market capitalization only with effect from FY 2022-23 in terms of Regulation 34(2) of the Listing Regulations. Your Company is at 539 number by market capitalization as of March 31, 2022. The Business Responsibility and Sustainability Report on the following nine principles forms an integral part of the Annual Report:

|    |                                                                                                                                    |
|----|------------------------------------------------------------------------------------------------------------------------------------|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable            |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe                                              |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains                       |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders                                          |
| P5 | Businesses should respect and promote human rights                                                                                 |
| P6 | Businesses should respect, protect and make efforts to restore the environment                                                     |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development                                                               |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner                                         |

## Corporate Social Responsibility (CSR)

The Company, as part of the Dalmia Bharat Group, has been following the concept of giving back and sharing with under privileged sections for more than eight decades. The Corporate Social Responsibility of the Company is based on the principal of Gandhian Trusteeship. For over eight decades, the Group addressed the issues of health care and sanitation, education, rural development, women empowerment and other social development issues. The prime objective of our Corporate Social Responsibility policy is to hasten social, economic and environmental progress. We remain focused on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

During the Financial Year 2021-22 in view of various amendments brought out by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, Corporate Social Responsibility Policy was revised to incorporate the amendments. The Corporate Social Responsibility Policy of the Company can be accessed at <https://www.dalmiasugar.com/wp-content/uploads/2021/07/DBSIL-CSR-Policy-Revised-24.5.21.pdf>.

Pursuant to the said Policy, the Company has spent ₹4.81 Crore towards corporate social responsibility activities including livelihood, climate action, social infrastructure and COVID19 relief during the financial year 2021-22 and ₹50 Lakh has been

transferred to Unspent Corporate Social Responsibility Account. The annual report on corporate social responsibility activities is attached and marked as **Annexure - 4** and forms part of this report.

## Related Party Transaction Policy and Transactions

All related party transactions entered during the year under review were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

All related party transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were repetitive in nature except when the need for them could not be foreseen in advance.

The particulars of contracts/arrangement/transactions entered into by the Company with the related parties during the year under review are provided in Form AOC 2 which is attached and marked as **Annexure - 5** and forms part of this report.

The Company has formulated a policy on materiality and on dealing with Related Party Transactions and same can be accessed at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Policy-on-Related-Party-Transactions.pdf>.

## Risk Management

Your Company has a Risk Management Committee which monitors and reviews the risk management plan / process of your Company. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritized according to significance and likelihood.

The Risk Management Committee oversees the risk management processes with respect to all probable risks that the organization could face such as strategic, financial, liquidity, security including cyber security, regulatory, legal, reputational and other risks. The Committee ensures that there is a sound Risk Management Policy to address such risks. The purpose of risk management is not to eliminate risks but to proactively address them. There are no elements of risk which in the opinion of the Board may threaten the existence of the Company. The details of the Risk Management Committee are given in the Corporate Governance Report which forms integral part of this Annual Report.

## Whistle Blower Policy and Vigil Mechanism

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud, health, safety and environmental issues. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The Policy ensures that strict confidentiality is maintained whilst dealing



with concerns and also that no discrimination is made against any person for a genuinely raised concern. The Whistle Blower Policy and Vigil Mechanism can be accessed at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf>

### Adequacy of Internal Financial Controls

Your Company has in place adequate internal financial control systems commensurate with the size of operations. The policies and procedures adopted by your Company ensures the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The internal auditors of the Company conduct regular internal audits as per approved plans; the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required. There are established Cause-Effect-Action (CEA) systems and escalation matrices to ensure that all critical aspects are addressed well in time.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to ensuring that all are treated with dignity and respect. The Human Resource and the Legal & Secretarial department in collaboration with other functions, ensure protection against sexual harassment of women at workplace and for the prevention and redressal of complaint in this regard.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year 2021-22, one complaint was received by ICC, which was investigated upon and closed upon finding the same being false.

### Loans, Guarantees, Security and Investments

Your Company has given loans and guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such loans and guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at note no. 5.

### Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Energy Conservation, Technology Absorption and Foreign Exchange Transactions, is given in **Annexure - 6** and forms part of this Report.

### Statutory Auditor and their report

M/s NSBP & Co, Chartered Accountants (Firm Registration No.

001075N), Statutory Auditors of the Company hold office till the conclusion of forthcoming 70th Annual General Meeting of the Company. Since their performance as Statutory Auditors has been satisfactory and they have given consent for reappointment for the second term of five years as the Statutory Auditors of the Company and confirmation to the effect that they are eligible and independent for re-appointment, your Directors have recommended their reappointment for the second term of five consecutive years from conclusion of the forthcoming 70th Annual General Meeting till the conclusion of next sixth Annual General Meeting, i.e., 75th Annual General Meeting to be held in the year 2027.

There is no qualification, reservation or adverse remark in their report on Financial Statements. The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any comments and explanation. The Auditors have not reported any matter under Section 143 (12) of the Act during the year under review.

### Cost Records and Auditor

Your Company maintains the cost records with respect to its sugar and power business in terms of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. M/s R. J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct Cost Audit for the financial year 2021-22. They had submitted the Cost Audit Report for the financial year 2020-21 on July 30, 2021.

Your Directors have re-appointed M/s R. J. Goel & Co., Cost Accountants, New Delhi, as the Cost Auditors to conduct a cost audit for the financial year ended 2021-2022 at remuneration to be ratified by the shareholders at the forthcoming Annual General Meeting.

### Secretarial Auditor and their Report

The Board has, in its meeting held on May 24, 2021, appointed M/s Harish Khurana & Associates, Practicing Company Secretary, as the Secretarial Auditor of the Company for the financial year 2021-22.

As required under the Section 204 of the Companies Act, 2013 and SEBI Listing Regulations, the Secretarial Audit Report in Form MR-3 of the Company for the financial year 2021-22 is attached and marked as **Annexure - 7** and forms part of this report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

### Compliance with Secretarial Standards

The Company has complied with all the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India from time to time and approved by the Central Government.

### Awards and Recognition

Your Company continued its quest for excellence in its chosen area of business to emerge as a true global brand. Several awards and rankings continue to endorse as a thought leader in the industry. The Awards / recognitions received during the financial year 2021-22 include:

1. Dalmia Bharat Sugar and Industries Limited has received the Industry Excellence Award by The Sugar Technologist's Association of India at the 79th Annual Convention and International Sugar Expo 2021.
2. The Ramgarh Unit of the Company has been selected one of the best performing unit by the Cane Department of UP Government.
3. Dalmia Utsav has been awarded India's Most Trusted Brand Award 2021 by International Brand Consulting Corporation, USA.

### Other Disclosures

1. The Company had not accepted any deposits as per Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.
2. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

3. There was no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.
4. There was no one time settlement entered into with the Banks or Financial Institutions.

### Acknowledgement & Appreciation

Your Directors express their sincere appreciation for the assistance and co-operation received from the Government authorities, financial institutions, banks, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

**Gautam Dalmia**  
Managing Director

**Bharat Bhushan Mehta**  
Whole Time Director and CEO

Dated: May 24, 2022  
Place: New Delhi





## Annexure 1

## Working Results of key businesses for the Financial Year 2021-2022

| Particulars                                | FY 2021-22 | FY 2020-21 |
|--------------------------------------------|------------|------------|
| <b>Sugar Division ('000 MT)</b>            |            |            |
| Cane Crushed                               | 5,263      | 5,268      |
| Sugar Production                           | 486        | 601        |
| Sugar Sales                                | 606        | 618        |
| <b>Co-Generation</b>                       |            |            |
| Installed Capacity (MW)                    | 119        | 119        |
| Production (Million Units)                 | 447        | 493        |
| Sales (Million Units)                      | 272        | 304        |
| <b>Distillery</b>                          |            |            |
| Installed Capacity (KL/Day)                | 550        | 305        |
| Production ('000 KL)                       | 117        | 84         |
| Sales ('000 KL)                            | 112        | 86         |
| <b>Magnesite Division ('000 MT)</b>        |            |            |
| Refractory Product Production              | 2          | 2          |
| Refractory Product Sale & Self Consumption | 2          | 3          |
| <b>Electronic Division (Nos)</b>           |            |            |
| Chip Capacitor Production                  | 2200       | 7,800      |
| Chip Capacitor Sales                       | 2200       | 7,800      |
| <b>Wind Farm</b>                           |            |            |
| Installed Capacity (MW)                    | 17         | 17         |
| Production (Million Units)                 | 21.40      | 21.82      |
| Plant Load Factor                          | 15%        | 15%        |
| <b>Govan Travels</b>                       |            |            |
| Business Handled (₹ In Crore)              | 9.73       | 2.19       |

## Annexure 2

## Form Aoc-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures For the financial year 2021-22

## Part A - Subsidiaries

(Amounts in ₹ Crore)

| SL. No. | Name of the subsidiary                                                                                                      | Himshikhar Investment Limited                  |
|---------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| 1       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Same as the Company (31st March of every year) |
| 2       | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Not Applicable                                 |
| 3       | Share capital                                                                                                               | 0.45                                           |
| 4       | Reserves & surplus                                                                                                          | 48.77                                          |
| 5       | Total assets                                                                                                                | 200.28                                         |
| 6       | Total Liabilities                                                                                                           | 151.07                                         |
| 7       | Investments                                                                                                                 | 199.81                                         |
| 8       | Turnover                                                                                                                    | 2.08                                           |
| 9       | Profit before taxation                                                                                                      | 2.03                                           |
| 10      | Provision for taxation                                                                                                      | (0.08)                                         |
| 11      | Profit after taxation                                                                                                       | 2.10                                           |
| 12      | Proposed Dividend                                                                                                           | Nil                                            |
| 13      | % of shareholding                                                                                                           | 100%                                           |

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

## Part B - Associates and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

**Gautam Dalmia**  
Managing Director**Bharat Bhushan Mehta**  
Whole Time Director and CEO**Anil Kataria**  
Chief Financial Officer**Aashhima V Khanna**  
Company SecretaryPlace: New Delhi  
Date: May 24, 2022



## Annexure 3

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 are as under:

| Name of the Director, Chief Financial Officer and Company Secretary and Designation | Remuneration for the financial year 2021-22 (in ₹ Crore) | Ratio of remuneration to median remuneration* of employees | % increase in the remuneration during the financial year 2021-22 |
|-------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------|
| Late Shri Jai H. Dalmia<br>Managing Director<br>(Till July 08, 2021)                | 3.44                                                     | 122.96                                                     | 1.51                                                             |
| Shri Gautam Dalmia<br>Managing Director                                             | 12.13                                                    | 433.59                                                     | 1.08                                                             |
| Shri Rajeev Bakshi<br>Chairman, Non-Executive<br>Independent Director               | 0.84**                                                   | 30                                                         | 4.25                                                             |
| Smt Amita Misra<br>Non-Executive Independent Director                               | 0.17                                                     | 5.93                                                       | 0                                                                |
| Shri P Kannan<br>Non-Executive Independent Director                                 | 0.16                                                     | 5.78                                                       | 0                                                                |
| Shri T. Venkatesan<br>Non-Executive Director                                        | 0.02                                                     | 1.03                                                       | (0.33)                                                           |
| Shri Bharat Bhushan Mehta<br>Whole-time Director and Chief<br>Executive Officer     | 4.59                                                     | 164.13                                                     | 0.43                                                             |
| Shri Anil Kataria<br>Chief Financial Officer                                        | 1.13                                                     | 40.73                                                      | 0.20                                                             |
| Ms. Aashhima V Khanna<br>Company Secretary                                          | 0.10                                                     | 3.78                                                       | 0                                                                |

## Notes:

- \*The median remuneration of employees of the Company during the financial year 2021-22 was ₹2,79,830 /-.  
\*\*The Commission of ₹0.80 Crore to be paid after approval of shareholders at the forthcoming AGM.
- The percentage increase in the median remuneration of employees in the financial year was 3.06%.
- The number of permanent employees on the rolls of the Company at the end of the financial year 2021-22 was 2,648.
- The average percentage increase in the salaries of employees other than the managerial personnel was about 10.2% during the financial year 2021-22 and the percentage increase in the remuneration of managerial personnel during the said financial year was about 100%. The said increase was due to annual appraisals and increments.  
  
In view of COVID Pandemic, MD's had not taken annual increment during 2020-21. Also, remuneration of Late Shri J. H. Dalmia includes superannuation benefits including gratuity.
- It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and Senior Management was paid as per the Nomination and Remuneration Policy of the Company.

## Annexure 3A

Statement of Particulars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22

| Sl. No. | Name                                           | Age | Designation                       | Qualifications                               | Experience (in years) | Date of Commencement of Employment | Last Employment held           | Remuneration received (in ₹ Crore) |
|---------|------------------------------------------------|-----|-----------------------------------|----------------------------------------------|-----------------------|------------------------------------|--------------------------------|------------------------------------|
| A.      | Employed throughout the year                   |     |                                   |                                              |                       |                                    |                                |                                    |
| 1       | Shri Gautam Dalmia                             | 54  | Managing Director                 | B.SC, M.S. in Electrical Engineering         | 29                    | 16/01/2007                         | None                           | 12.13                              |
| 2       | Shri B.B. Mehta                                | 68  | Whole time Director & CEO         | B.Com(H), CA                                 | 45                    | 01/04/2019                         | Dalmia Bharat Limited          | 4.59                               |
| 3       | Shri Pankaj Rastogi                            | 58  | CEO, Sugar Business               | B.Tech, PGDM                                 | 35                    | 01/01/2019                         | Dalmia Bharat Limited          | 2.1                                |
| 4       | Shri Anil Kataria                              | 62  | Chief Financial Officer           | B.Com, FCA & FCS                             | 36                    | 06/04/2009                         | Escorts Group                  | 1.13                               |
| 5       | Shri Deepak Kumar                              | 46  | CEO, Consumer Business            | MBA                                          | 21                    | 01/08/2020                         | Patanjali Ayurveda Ltd.        | 1.58                               |
| 6       | Shri Kuldeep Kumar                             | 52  | Deputy Executive Director         | MBA - Operations                             | 31                    | 17/07/2015                         | Mawana Sugar Works             | 0.80                               |
| 7       | Shri Naveen Kumar Gupta                        | 53  | Deputy Executive Director         | BE(Civil)                                    | 31                    | 01/12/2009                         | Feedback Ventures Pvt. Ltd.    | 1.2                                |
| 8       | Shri R.H. Dalmia                               | 72  | Advisor                           | B. Tech                                      | 48                    | 01/05/2019                         | Dalmia Cement (Bharat) Limited | 1.73                               |
| B.      | Employed for part of the year                  |     |                                   |                                              |                       |                                    |                                |                                    |
| 9       | Shri Naresh Paliwal (Till Sept. 30, 2021)      | 65  | Deputy Executive Director         | B.Com, FCA                                   | 35                    | 24/06/2010                         | Outh Sugar Mills Limited       | 0.78                               |
| 10      | Late Shri Jai Hari Dalmia (Till July 08, 2021) | 76  | Vice Chairman & Managing Director | B.E. (ELEC.), M.S. in Electrical Engineering | 50                    | 01/04/2007                         | Orissa Cement Limited          | 3.44                               |

## Notes:

- Late Shri Jai Hari Dalmia was the father of Shri Gautam Dalmia and hence related to each other.
- None of the above employees held 2% or above of the equity share capital of the Company as on March 31, 2022 either himself and /or alongwith his spouse and dependent children.
- Remuneration shown above, inter alia, includes value of perquisites, all other allowances and all retiral benefits (excluding gratuity) except for Shri J. H. Dalmia.
- Late Shri Jai Hari Dalmia and Shri Gautam Dalmia were employed as Managerial Personnel on fixed term basis.





## Annexure 4

## The Annual Report on CSR Activities

For the Financial Year 2021-22

### 1. Brief outline on CSR Policy of the Company:

Dalmia Bharat Sugar and Industries Limited is a part of Dalmia Bharat Group which was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than eight decades. The CSR of the company is based on the principal of Gandhian Trusteeship. For over eight decades we have addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

The prime objective of our CSR Policy is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

In the recent years' company has realigned its Corporate Social Responsibility programme to focus on issues material to the company and its stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Stakeholder engagements and baseline studies highlighted the issues of water scarcity, erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. The company realized that these issues were more material to the business as well as to the communities around their facilities. Dalmia Bharat Sugar and Industries Limited thus planned its Corporate Social Responsibility programmes in sectors of Livelihood, Climate Action - Water / Energy and Social Infrastructure and started aiming at creation of shared values for all stakeholders.

### 2. Composition of CSR Committee:

| Sl. No. | Name of Director          | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1       | Ms. Amita Misra           | Chairman                             | 5                                                        | 5                                                            |
| 2       | Shri Gautam Dalmia        | Member                               | 5                                                        | 5                                                            |
| 3       | Shri Bharat Bhushan Mehta | Member                               | 5                                                        | 5                                                            |

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.dalmiasugar.com/wp-content/uploads/2021/02/DBL-CSR-POLICY.pdf>  
<https://www.dalmiasugar.com/wp-content/uploads/2022/06/Financial-year-2022-23.pdf>;  
<https://www.dalmiasugar.com/investors/>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any)

Not Applicable

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set- off for the financial year, if any (in ₹) |
|---------|----------------|--------------------------------------------------------------------|----------------------------------------------------------------------|
|         |                | NIL                                                                |                                                                      |
|         | TOTAL          |                                                                    |                                                                      |

### 6. Average net profit of the company as per section 135(5). ₹ 263.29 Crore

7. (a) Two percent of average net profit of the company as per section 135(5) ₹5.27 Crore  
(a) Surplus arising out of the CSR projects or programs or activities of the previous financial years. NA  
(b) Amount required to be set off for the financial year, if any NA

**Total CSR obligation for the financial year (7a+7b- 7c). ₹ 5.27 Crore**

### 8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹)                                                  |                  |                                                                                                      |        |                  |
|---------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|--------|------------------|
|                                                   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |        |                  |
|                                                   | Amount                                                                 | Date of transfer | Name of the Fund                                                                                     | Amount | Date of transfer |
| 4,81,54,421                                       | 50,00,000                                                              | 28/04/2022       | NA                                                                                                   |        |                  |

### (b) Details of CSR amount spent against ongoing projects for the financial year:

| 1       | 2                   | 3                                                           | 4                    | 5                       |              | 6                                  | 7                                       | 8                                                 | 9                                                                                      | 10                                         | 11                                                   |                         |
|---------|---------------------|-------------------------------------------------------------|----------------------|-------------------------|--------------|------------------------------------|-----------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project |              | Project duration                   | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes / No) | Mode of Implementation - Through Implementing Agency |                         |
|         |                     |                                                             |                      | State                   | District     |                                    |                                         |                                                   |                                                                                        |                                            | Name                                                 | CSR Registration number |
| 1       | Livelihood          | Item No. II                                                 | Yes                  | Uttar pradesh           | Sitapur      | 1.04.2021 to 31.03.2025 ( 4 years) | 59,57,520                               | 59,57,520                                         | 50,00,000                                                                              | No.                                        | Dalmia Bharat Foundation                             | CSR00002821             |
|         |                     |                                                             | Yes                  | Uttar pradesh           | Shahjahanpur |                                    | 19,04,490                               | 19,04,490                                         |                                                                                        | No.                                        |                                                      |                         |
|         |                     |                                                             | Yes                  | Maharashtra             | Kolhapur     |                                    | 64,50,177                               | 28,50,177                                         |                                                                                        | No.                                        |                                                      |                         |
| 2       | Climate Action      | Item No. IV                                                 | Yes                  | Uttar pradesh           | Sitapur      |                                    | 77,44,303                               | 67,44,303                                         |                                                                                        | No.                                        |                                                      |                         |
|         |                     |                                                             | Yes                  | Uttar pradesh           | Shahjahanpur |                                    | 47,12,399                               | 43,12,399                                         |                                                                                        | No.                                        |                                                      |                         |
|         |                     |                                                             | Yes                  | Maharashtra             | Kolhapur     |                                    | 78,181                                  | 78,181                                            |                                                                                        | No.                                        |                                                      |                         |
|         |                     |                                                             | Yes                  | Maharashtra             | Sangli       |                                    | 49,331                                  | 49,331                                            |                                                                                        | No.                                        |                                                      |                         |
|         | Total               |                                                             |                      |                         |              |                                    | 2,68,96,401                             | 2,18,96,401                                       | 50,00,000                                                                              |                                            |                                                      |                         |

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| 1       | 2                     | 3                                                            | 4                     | 5                       |              | 6                                                 | 7                                       | 8                                                      |                         |
|---------|-----------------------|--------------------------------------------------------------|-----------------------|-------------------------|--------------|---------------------------------------------------|-----------------------------------------|--------------------------------------------------------|-------------------------|
| Sl. No. | Name of the project   | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No.) | Location of the project |              | Amount spent in the current financial year (in ₹) | Mode of implementation direct (Yes/No/) | Mode of implementation - through implementation agency |                         |
|         |                       |                                                              |                       | State                   | District     |                                                   |                                         | Name                                                   | CSR Registration number |
| 1       | Social Infrastructure | Item No. I & X                                               | Yes                   | Uttar pradesh           | Sitapur      | 64,65,460                                         | No.                                     | Dalmia Bharat Foundation                               | CSR00002821             |
|         |                       |                                                              | Yes                   | Uttar pradesh           | Shahjahanpur | 23,54,586                                         | No.                                     |                                                        |                         |
|         |                       |                                                              | Yes                   | Maharashtra             | Kolhapur     | 48,20,224                                         | No.                                     |                                                        |                         |
|         |                       |                                                              | Yes                   | Maharashtra             | Sangli       | 19,63,328                                         | No.                                     |                                                        |                         |
|         |                       |                                                              | No                    | Andhra Pradesh          | Nellore      | 1,18,000                                          | Yes                                     |                                                        |                         |
|         |                       |                                                              | Yes                   | Tamil Nadu              | Salem        | 12,20,000                                         | Yes                                     |                                                        |                         |
| 2       | Covid-19              | XII                                                          | Yes                   | Uttar pradesh           | Sitapur      | 46,34,821                                         | Yes                                     |                                                        |                         |
|         |                       |                                                              | Yes                   | Uttar pradesh           | Shahjahanpur | 34,21,600                                         | Yes                                     |                                                        |                         |
|         | TOTAL                 |                                                              |                       |                         |              | 2,49,98,020                                       |                                         |                                                        |                         |

(d) Amount spent in Administrative Overheads: ₹ 12,60,000

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹4,81,54,421

(g) Excess amount for set off, if any: NIL



| Sl. No. | Particular                                                                                                  | Amount (in ₹ Crore) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 5.27                |
| (ii)    | Total amount spent for the Financial Year                                                                   | 4.82                |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | NIL                 |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL                 |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | NIL                 |

**9. (a) Details of Unspent CSR amount for the preceding three financial years: ₹ NIL**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |               |                  | Amount remaining to be spent in succeeding financial years (in ₹) |
|---------|--------------------------|------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------|---------------|------------------|-------------------------------------------------------------------|
|         |                          |                                                                        |                                                     | Name of the Fund                                                                          | Amount (in ₹) | Date of transfer |                                                                   |
| NIL     |                          |                                                                        |                                                     |                                                                                           |               |                  |                                                                   |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL**

| (1)     | (2)        | (3)                 | (4)                                               | (5)              | (6)                                           | (7)                                                                | (8)                                                                    | (9)                                         |
|---------|------------|---------------------|---------------------------------------------------|------------------|-----------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing |
| NIL     |            |                     |                                                   |                  |                                               |                                                                    |                                                                        |                                             |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

- Date of creation or acquisition of the capital asset(s). NA
- Amount of CSR spent for creation or acquisition of capital asset. NA
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA**

Sd/-  
**Amita Misra**  
Chairperson, CSR Committee

Dated: May 24, 2022  
Place: New Delhi

Sd/-  
**Bharat Bhushan Mehta**  
(Chief Executive Officer or  
Managing Director or Director).

## Annexure 5

### Form No. Aoc -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis - None**

| SL. No. | Particulars                                                                                                       | Details        |
|---------|-------------------------------------------------------------------------------------------------------------------|----------------|
| a)      | Name (s) of the related party & nature of relationship                                                            | Not Applicable |
| b)      | Nature of contracts/arrangements/transaction                                                                      |                |
| c)      | Duration of the contracts/arrangements/transaction                                                                |                |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                         |                |
| e)      | Justification for entering into such contracts or arrangements or transactions'                                   |                |
| f)      | Date of approval by the Board                                                                                     |                |
| g)      | Amount paid as advances, if any                                                                                   |                |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |                |

**1. Details of contracts or arrangements or transactions at Arm's length basis.**

| SL. No. | Particulars                                                                               | Details                                                                                                                                                                                                                                                                                                                                                          |
|---------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)      | Name (s) of the related party & nature of relationship                                    | Shri Raghu Hari Dalmia, Brother of Late Shri Jai Hari Dalmia, Managing Director of the Company                                                                                                                                                                                                                                                                   |
| b)      | Nature of contracts/arrangements/transaction                                              | Advisor to the Company                                                                                                                                                                                                                                                                                                                                           |
| c)      | Duration of the contracts/arrangements/transaction                                        | May 01, 2022 till April 30, 2025                                                                                                                                                                                                                                                                                                                                 |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any | ₹1.73 Crore paid during financial year 2021-22.<br><br>Total remuneration of ₹1.50 Crore per annum, reimbursement of expenses incurred by him on actuals and retiral benefits on continual basis in accordance with the Rules of the Company with such annual increments as may be approved by the Nomination and Remuneration Committee and Board of Directors. |
| e)      | Date of approval by the Board                                                             | May 24, 2021                                                                                                                                                                                                                                                                                                                                                     |
| f)      | Amount paid as advances, if any                                                           | Nil                                                                                                                                                                                                                                                                                                                                                              |

**For and on behalf of the Board of Directors**

Dated: May 24, 2022  
Place: New Delhi

**Amita Misra**  
Chairperson, Audit Committee

**Bharat Bhushan Mehta**  
Whole Time Director and CEO





## Annexure 6

### Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earnings for the Financial Year 2021-22

#### (A) Conservation of Energy:

##### I. The steps taken/impact on conservation of energy

- In Nigohi sugar plant back pressure turbine technology is implemented for overall system efficiency improvement.
- In Nigohi sugar plant average crushing capacity is increased with the adoption of steam saving devices without adding any steam generation capacity.
- Sugar plants operated with varying configuration for different molasses schemes resulted saving into overall electricity consumption and steam per ton of cane crush.
- Ion-Exchange technology is implemented at Jawaharpur Unit as well after successful implementation at Nigohi unit.
- New distillation plant at integrated evaporation system added in Jawaharpur and Kolhapur unit.
- Use of conventional CFL lighting is discontinued.
- A completely new distillery plant added in Ramgarh unit.

##### II. The steps taken by the Company for utilizing alternate sources of energy

The Company is primarily using 100% renewable source of energy generated from co-generation plants of the Company. Use of solar energy is also adopted up to maximum wherever possible.

##### III. The capital investment on energy conservation equipment

Company has invested around ₹23 Crore during the financial year 2021-22 to conserve the energy.

- Back Pressure Turbine- 9.35 Crore
- Jawaharpur Evaporator- 9.55 Crore
- Nigohi Evaporator- 2.91 Crore

#### (B) Technology Absorption:

##### I. The efforts made towards technology absorption

- Ion-Exchange refinery process is further adopted in one more unit to achieve maximum production of lowest colour and highest quality sugar for human consumption.
- Rotary drier technology has ensured to produce varied quality and size of sugar with lowest moisture level in sugar bags.
- Company has invested ₹31 Crore in proven state of art latest technologies for the treatment of in-house effluents for recycling of process condensate up to maximum level.

- Almost ZERO water consumption in sugar cane processing has been continued and further improvement is made in other sections to use recycled water.

- Drip irrigation schemes have been further boosted to conserve water and increase of productivity per hectare.

##### II. The benefits derived like product improvement, cost reduction, product development, import substitution, etc.

Sulphurless process with refinery introduced in Jawaharpur which has remarkably improved colour of the sugar and further strengthen positions in sulphurless sugar market is a healthier option for consumers.

At the same time looking in to futuristic consumer segment, the Company has introduced branded sugar as well as other variety of white/brown sugar in different size of small packaging and sachets. Simultaneously company has introduced honey and mustard oil.

The Company, as a result of the earlier efforts made, has achieved better quality of sugarcane which has resulted into increase in yield and recovery cane.

The consistent efforts at micro level are resulting into lower stoppage days, hence the costs.

Imported Hydraulic variable speed drive is being replaced with indigenous ACVFD drives + gearbox which are replacing imported hydraulic drives.

##### III. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-

No technology has been imported for the last three years.

##### IV. Expenditure incurred on Research and Development

The Company has incurred the expenditure of ₹5.48 Crore on cane development and ₹0.079 Crore for Research & Development at Salem.

#### (C) Foreign Exchange Earnings and Outgoes

- Foreign Exchange earned in terms of inflows during the year is ₹742.21 Crore
- Foreign Exchange outgo during the year in terms of outflows is ₹0.18 Crore

For and on behalf of the Board of Directors

Gautam Dalmia  
Managing Director

Barat Bhushan Mehta  
Whole Time Director and CEO

Dated: May 24, 2022  
Place: New Delhi

## Annexure 7

### Secretarial Audit Report (For the Financial Year ended March 31, 2022)

To,  
The Members,  
**Dalmia Bharat Sugar and Industries Limited**  
Dalmiapuram, Tiruchirapalli Distt.,  
Tamil Nadu

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Sugar and Industries Limited, (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:

- Electricity Act, 2003
- Food Safety and Standards Act, 2006
- Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011
- Essential Commodities Act, 1955
- Industries (Development and Regulation) Act, 1951
- Molasses Control Order, 1961
- Sugar Cess Act, 1982 and Sugar Cess Rules, 1982
- Employees State Insurance Act, 1948 and Employees State Insurance (General) Regulations, 1950
- Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- Contract Labour (Regulation and Abolition) Act, 1970
- Employees Compensation Act, 1923
- U. P. Industrial Disputes Act, 1947
- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Industrial Employment (Standing Orders) Act, 1946
- Factories Act, 1948
- Energy Conservation Act, 2001



- Uttar Pradesh Labour Welfare Fund Act, 1965 and Uttar Pradesh Labour Welfare Fund Rules, 1972
- Uttar Pradesh Shops and Commercial Establishment Act, 1947 and Uttar Pradesh Shops and Commercial Establishment Rules, 1963

Compliances in respect of other laws, as stated above were generally made during the financial year 2021-22.

- 7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.
- 8) We have also examined compliance with the applicable Regulations of SEBI (LODR) Regulations, 2015, as amended, in connection with listing of its securities with Bombay Stock Exchange and National Stock Exchange;

We have been informed that there was no transaction during year under report for the point no. 5 (c), (d), (e), (g) & (h) stated above and the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have also been informed that there was no transaction reported under the provisions of FEMA relating to point no. 4 supra, during the year under report.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the Board were in compliance of the Act and duly approved by the Board.

Seven days notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were also sent for all the meetings of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Signature:**

**Harish Khurana & Associates**  
*Company Secretaries*  
FCS No. 4835  
C P No. 3506  
UDIN: F004835D000378164

Date: 24.05.2022  
Place: Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

“Annexure A”

To  
The Members,  
**Dalmia Bharat Sugar and Industries Limited**  
Dalmiapuram, Tiruchirapalli Distt.,  
Tamil Nadu

Our report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis through e-mode, to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- (4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis, however during the audit it was found that one Board resolution passed by the Board in their meeting held on 2405-2021, for borrowing loan, was inadvertently missed to be filed in the prescribed e-Form with the Registrar within stipulated time prescribed under the Act, now Company has to approach to the Central Government under the provisions of Section 460 of the Companies Act, 2013 seeking condonation of delay for filing of said e-Form.
- (5) Due to COVID19 country wide lockdown, we could not visit any of the office, factory or work place of the company and necessary documents and records were shared through e-mail and we relied upon it.
- (6) The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Signature:**

**Harish Khurana & Associates**  
*Company Secretaries*  
FCS No. 4835  
C P No. 3506  
UDIN: F004835D000378164

Date: 24.05.2022  
Place: Delhi





# Corporate Governance Report

## (I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our corporate culture is founded on strong governance, highest ethical and professional standards, and a well-defined and effective system of governance.

Corporate governance is based on the principles of integrity, fairness, transparency, due compliance, accountability and responsibility towards stakeholders in addition to the commitment to conduct business in an ethical manner.

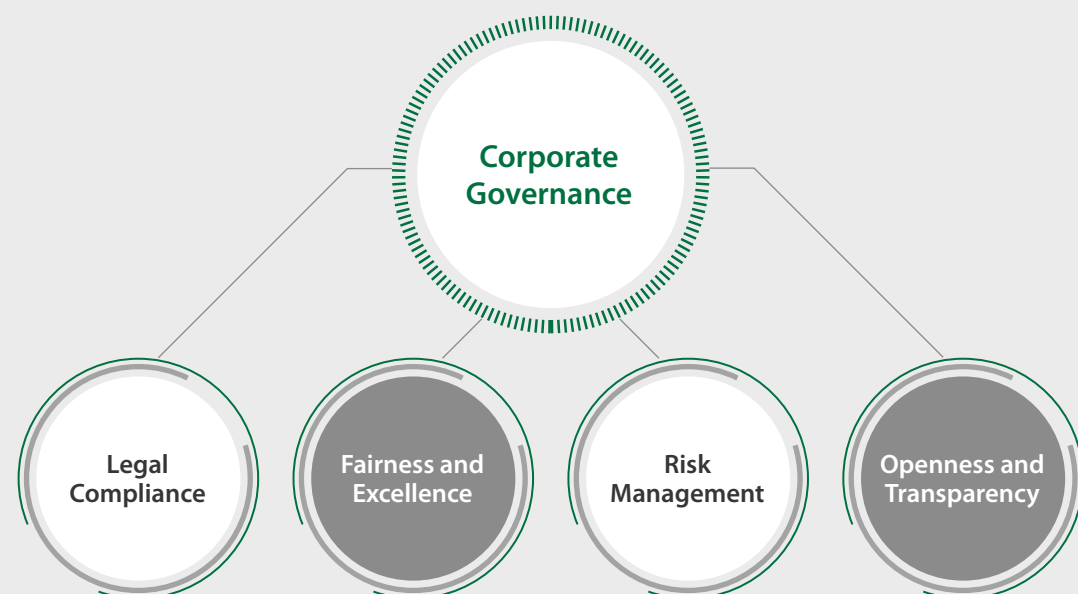
We believe that our Company has gone beyond adherence to regulatory framework. Our corporate structure, business, operations, disclosure practices and systems have been strictly aligned to our corporate governance principles. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We accord the highest priority to system-driven performance.

We have blended growth and efficiency with governance and

ethics. Our Board of Directors guided by the mission statement formulates strategies and policies having focus on optimising value for the stakeholders like consumers, shareholders and the society at large.

We represent modern India, which has a blend of traditional Indian values such as Integrity, Trust, Respect, Humility and Commitment and an aggressive performance-driven culture. We inculcate an operational work behaviour of Speed, Learning, Teamwork & Excellence to complement the performance culture.

We work with transparency, responsibility and credibility. We are a professionally run enterprise and have effective board oversight with sound corporate governance practices to deliver long-term value to the stakeholders. Our corporate governance framework and philosophy originates from our responsibility towards maximizing stakeholders' value. It is a systematic continuous process which ensures enhancement in wealth-generating capacity and long-term success. We believe in a system driven performance and accord highest priority to it.



## (II) BOARD OF DIRECTORS

### (a) Size and Composition of the Board

Our Board has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its Independence. Our Board comprises six Directors out of which 66.7% are Non-Executive Directors and 33.3% are the Executive Directors. 50% of total strength of the Board comprises Independent Directors including one Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director and is not related to the Managing Director or Chief Executive Officer.



All the Independent Directors have given declaration(s) that they meet the criteria of independence as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Companies Act, 2013. Based on the said declaration(s), the Board of Directors are of the opinion that the Independent Directors fulfil the conditions specified in SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management.

The Composition of the Board and other Directorships of Directors of the Company held as on March 31, 2022 are provided in below Table 1.

Table 1: The Composition of the Board and other Directorships held as on March 31, 2022

| Name of Director                                                             | Category of Directorship in other Listed Companies | Name of the other Listed Companies in which Director | No. of outside Directorship(s) in Public Limited Companies (1)(3) | No. of outside Committee position(s) held (2)(3) |             |
|------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------|-------------|
|                                                                              |                                                    |                                                      |                                                                   | Member                                           | Chairperson |
| Non-Executive and Independent Director                                       |                                                    |                                                      |                                                                   |                                                  |             |
| Shri Rajeev Bakshi                                                           | Non-Executive and Independent Director             | Cummins India Limited                                | 2                                                                 | 1                                                | 0           |
| Smt. Amita Misra                                                             | Non-Executive and Independent Director             | Welspun Corp Limited                                 | 2                                                                 | 1                                                | 0           |
| Shri P. Kannan (Chairman)                                                    | -                                                  | -                                                    | 1                                                                 | -                                                | -           |
| Non-Executive and Non Independent Director                                   |                                                    |                                                      |                                                                   |                                                  |             |
| Shri T. Venkatesan                                                           | Non-Executive and Non Independent Director         | -                                                    | 1                                                                 | -                                                | -           |
| Executive Director                                                           |                                                    |                                                      |                                                                   |                                                  |             |
| Shri. Gautam Dalmia (Managing Director)                                      | Managing Director                                  | Dalmia Bharat Limited                                | 5                                                                 | 3                                                | 0           |
|                                                                              | Non-Executive and Non Independent Director         | Indian Energy Exchange Limited                       |                                                                   |                                                  |             |
| Shri. Bharat Bhushan Mehta (Whole Time Director and Chief Executive Officer) | -                                                  | -                                                    | 5                                                                 | 0                                                | 0           |

1. Excluding directorships in Private Limited Companies, Foreign Companies and Section 8 Companies under the provisions of the Companies Act, 2013.

2. As required by Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholder's relationship committee in Indian public companies (listed and unlisted).

3. None of the Directors (i) hold membership in more than ten public limited companies and (ii) is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director (iii) hold directorship in more than seven listed companies and serve as an independent director in more than seven listed companies.

4. Shri Gautam Dalmia is son of Late Shri Jai Hari Dalmia. None of other directors is connected with each other.

None of the Directors have been debarred or disqualified from being appointed or continuing as Director of Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard by Shri Harish Khurana, Practicing Company Secretary, the Secretarial Auditor of the Company, is attached and forms part of this report.

**(b) Board meetings**

The Board meetings are generally held once in a quarter at the corporate office of the Company and as and when requisitioned in between the quarterly meetings.

During the financial year 2021-22, the Board of Directors had met six times, i.e., on May 24, 2021, July 30, 2021, October 29, 2021, December 29, 2021, February 04, 2022 and March 23, 2022.

As per the Companies Act, 2013 read with SEBI Listing Regulations,

the required quorum for every meeting of the Board of Directors is one third of its total strength or three Directors, whichever is higher, including at least one Independent Director. The requisite quorum was present during all the Board meetings held during the financial year 2021-2022.

The details of the attendance of Directors at the Board meetings and Annual General Meeting and Shares held by them are provided in below Table 2.

**Table 2: Attendance at the Board Meetings and Annual General Meeting and number of shares held**

| Name of the Director       | Annual General Meeting | Number of Board Meetings Held during tenure | Attended | % of attendance | Number of shares held in the Company |
|----------------------------|------------------------|---------------------------------------------|----------|-----------------|--------------------------------------|
| Late Shri Jai Hari Dalmia* | No                     | 1                                           | 1        | 100             | 555175                               |
| Shri. Gautam Dalmia        | Yes                    | 6                                           | 6        | 100             | 151990                               |
| Shri P. Kannan             | Yes                    | 6                                           | 6        | 100             | 2730                                 |
| Smt. Amita Misra           | Yes                    | 6                                           | 6        | 100             | -                                    |
| Shri. B.B. Mehta           | Yes                    | 6                                           | 6        | 100             | -                                    |
| Shri T. Venkatesan         | No                     | 6                                           | 5        | 80              | 12790                                |
| Shri Rajeev Bakshi         | Yes                    | 6                                           | 6        | 100             | -                                    |

**Note:** Due to the Covid Pandemic all the meetings were conducted through Video Conferencing

\* Late Shri Jai Hari Dalmia moved to a higher realm on July 08, 2021

In Compliance with the Secretarial Standards, the draft minutes of the Board and Committee meetings were circulated to the Directors for their comments within a period of 15 days from the date of respective meeting(s) and entered into minute books after incorporation of their comments within a period of 30 days from the date of the respective meeting(s).

**(c) Meeting of Independent Directors and familiarization programmes**

The Independent Directors of the Company met once during the financial year on February 04, 2022 without the presence of Non-Independent Director(s) and members of the management.

The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors immediately upon appointment are familiarized inter-alia with the Company, nature of industry in which the Company operates, business model of the Company, Code of Conduct for the Directors, reports and policies of the Company as part of their induction programme. Every Director is also familiarized with the expectation of the Board from him, the Board level committees in which he is expected to serve and its tasks, the fiduciary duties that come with such appointment alongwith accompanying liabilities and the actions that he/she should not take while functioning as such in the Company.

The Directors are also regularly familiarized by way of periodic presentations at the Board and Committee meetings inter-alia with

respect to updates on approved projects, business opportunities and proposed projects, updates on Enterprise Risk Management, demand supply scenario, benchmarking and statutory and regulatory changes. The details of such familiarisation programme for the financial year 2021-22 are disclosed at <https://www.dalmiasugar.com/wp-content/uploads/2021/06/Familiarization-Programme-2020-21.pdf> in terms of SEBI Listing Regulations.

**(d) Remuneration paid to Directors**

The Board of Directors comprises four non-executive directors and two Executive Directors.

The Non-Executive Directors are entitled to sitting fees for attending the Board of Directors meetings and the Committee meetings, profit related commission and reimbursement of expenses incurred by them for undertaking their duties as Directors of the Company.

The sitting fees is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Board of Directors of the Company. The same is decided keeping in view the market practice and is same for all the Directors.

The commission is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013, i.e., not exceeding 1% of the net profits of the Company. The commission to the Non-Executive Directors varies in view inter-

alia of the responsibility held as a Chairperson/member of various Board Committees of the Company, overall participation and contribution in the decision making process of the Company, objectivity and constructive exercise of duties and devotion of time and attention. The commission payable is decided by the

Board of Directors of the Company.

The details of sitting fees and commission paid to the Non-Executive Directors and remuneration paid to Executive Directors during the financial year 2021-22 are provided in below Table 3.

**Table 3: Remuneration details**

(₹ in Crore)

| Sl. No. | Name of Director                                | Sitting fees | Commission | Salary and perquisites | Retirement benefits | Total |
|---------|-------------------------------------------------|--------------|------------|------------------------|---------------------|-------|
| 1       | Late Shri. Jai Hari Dalmia (Till July 08, 2021) | -            | -          | 0.11                   | 3.32                | 3.44  |
| 2       | Shri. Gautam Dalmia                             | -            | -          | 10.84                  | 1.28                | 12.13 |
| 3       | Shri Rajeev Bakshi                              | 0.04         | *0.80      |                        |                     | 0.84  |
| 4       | Smt. Amita Misra                                | 0.07         | 0.10       |                        |                     | 0.17  |
| 5       | Shri P. Kannan                                  | 0.06         | 0.10       |                        |                     | 0.16  |
| 6       | Shri T. Venkatesan                              | 0.02         | -          |                        |                     | 0.02  |
| 7       | Shri B.B. Mehta                                 | -            | -          | 4.39                   | 0.19                | 4.58  |

\*To be paid upon approval of the shareholders at the forthcoming AGM.

The retirement benefits to the Executive Directors comprise of the Company's contribution to Provident Fund and Superannuation Fund (as applicable). In case of Shri Jai Hari Dalmia it also includes Gratuity. In addition to the above, the Company also contributes amounts to the gratuity fund towards gratuity of its employees including for the Executive Directors.

There is no other pecuniary relationship/transaction of the Directors and no Stock Options are granted to any of the Directors.

As per the terms of the appointment of Managing Director(s), the appointment may be terminated by either party by giving three months' notice and in the case of Whole-time Director by giving six months' notice. There is no provision for severance fee in case of termination.

**(e) Code of Conduct for the Directors and Senior Management of the Company**

The Company's Board has laid down a code of conduct for all the Board members and designated senior management

of the Company. The Code of Conduct includes the Code of Conduct for Independent Directors and provides in detail the guidelines of professional conduct, role and functions and duties of Independent Directors. The Code of Conduct is available on the website of the Company [www.dalmiasugar.com](http://www.dalmiasugar.com). All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this report.

**(f) CEO/ CFO certification**

The CEO and CFO certification of the financial statements for the financial year 2021-22 is enclosed at the end of this report.

**(g) Board Skill Matrix**

A matrix setting out the skills/expertise/competence of the Directors identified by the Board of Directors as required in context of Company's business and available with the Board; and names of Directors who have such skills / expertise / competence is given below:

| Sl. No. | Director(s)                                                                                         | Skill / Expertise / competence                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Shri Rajeev Bakshi<br>Shri Gautam Dalmia<br>Shri Bharat Bhushan Mehta                               | <b>Leadership</b> <ul style="list-style-type: none"><li>- Visionary with strategic goal</li><li>- Identify road maps, approach, processes, key deliverables</li><li>- Mentor the team to channelize energy/efforts in appropriate direction</li><li>- A thought leader and a role model in good governance and ethical conduct of business</li><li>- Hands on experience of leading the Company at the highest level</li></ul> |
| 2       | Shri Gautam Dalmia<br>Shri Bharat Bhushan Mehta<br>Shri Thyagrajan Venkatesan<br>Shri Rajeev Bakshi | <b>Industry knowledge and experience</b> <ul style="list-style-type: none"><li>- Domain knowledge of businesses viz. Sugar, Power and Distillery</li><li>- Vast experience of industry</li></ul>                                                                                                                                                                                                                               |
| 3       | Shri Thyagrajan Venkatesan<br>Smt. Amita Misra                                                      | <b>Policy shaping and industry advocacy</b> <ul style="list-style-type: none"><li>- Professional relationship with the policy makers and regulators</li><li>- Contribution in shaping of Government policies in the areas of Company's business</li></ul>                                                                                                                                                                      |





| Sl. No. | Director(s)                                                                            | Skill / Expertise / competence                                                                                                                                                                                                                                                       |
|---------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4       | Smt. Amita Misra<br>Shri P. Kannan<br>Shri Thyagrajan Venkatesan                       | <b>Governance including legal compliance</b> <ul style="list-style-type: none"><li>- Commitment, belief and experience in setting corporate governance practices</li><li>- Support the Company's legal compliance systems and governance policies/practices.</li></ul>               |
| 5       | Smt. Amita Misra<br>Shri Rajeev Bakshi<br>Shri Thyagrajan Venkatesan<br>Shri P. Kannan | <b>Finance &amp; Accounts / Audit / Risk Management areas</b> <ul style="list-style-type: none"><li>- Expertise in financial matters and policies, accounting statements and disclosure practices</li><li>- Contribute to the financial/risk management policies/practices</li></ul> |

### (III) COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

#### Composition of Committees, their meetings and attendance

The Board of Directors of the Company has six (6) Board level Committees as on March 31, 2022, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee.

The composition, constitution, terms of reference and functioning of these Committees meets the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The Chairman and members of these Committees are selected by the Board based on the category of Director(s) and their expertise, knowledge and experience. The role and terms of reference of these Committees

Table 4: Composition of Audit Committee and attendance details of Audit Committee meetings

| Name of the member            | Number of meetings held during tenure | Meetings attended | % of attendance |
|-------------------------------|---------------------------------------|-------------------|-----------------|
| Smt Amita Misra (Chairperson) | 4                                     | 4                 | 100%            |
| Shri P. Kannan                | 4                                     | 4                 | 100%            |
| Shri B.B. Mehta               | 4                                     | 4                 | 100%            |

Note: All the meetings were conducted through Video Conferencing due to the Covid Pandemic

The role, powers and terms of reference of the Audit Committee covers all the areas prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 (3) of SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Audit Committee broadly includes the following:

- Recommendation for appointment, remuneration and terms of appointment of Statutory and Cost Auditors of the Company and payment for any other services rendered by them, review and monitor their independence and performance, and effectiveness of audit process.
- Oversight of the Company's financial reporting process, reviewing the quarterly financial statements and the annual financial statements and auditor's report thereon before submission to the Board for approval and to ensure that the financial statements are correct, sufficient and credible.

is approved by the Board of Directors of the Company. The Company Secretary acts as Secretary to these Committees.

#### Audit Committee

Your Company has a duly constituted Audit Committee. The Audit Committee comprises of qualified and independent members of the Board, who have expertise, knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations.

The Committee met four times during the financial year 2021-22 and the gap between two committee meetings did not exceed 120 days. The dates on which the committee meetings held were: May 24, 2021, July 30, 2021, October 29, 2021 and February 04, 2022. The composition of the Audit Committee and attendance details of the Audit Committee meetings are given in below Table 4:

- Approval or any subsequent modification of transactions of the Company with related parties.
- Review of the quarterly and half yearly financial results with the management and the statutory auditors.
- Scrutiny of inter-corporate loans and investments.
- Reviewing performance of statutory and internal auditors, adequacy of the internal control systems, risk management systems and internal audit function.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary.

- Review the functioning of the Whistle Blower mechanism.
- Approval of appointment of Chief Financial officer.

The Statutory Auditors, Internal Auditors, Chief Executive Officer - Sugar Business and Chief Financial Officer usually attend the committee meetings. The Cost Auditors attend the Audit Committee meeting in which the Cost Audit Report is discussed and annexures thereto are approved. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the recommendations of the Audit Committee during the financial year 2021-22 were accepted by the Board of Directors.

The members of the Audit Committee, i.e., Shri B.B. Mehta, Shri P. Kannan and the Chairperson, Smt. Amita Misra were present at the Annual General Meeting of the Company held on September 21, 2021.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee met two times during the financial year 2021-22 on July 30, 2021 and February 04, 2022. The composition of the Nomination and Remuneration Committee and attendance details of the Nomination and Remuneration Committee meetings are given in below Table 5:

Table 5: Composition of Nomination and Remuneration Committee and attendance details of Nomination and Remuneration Committee meetings

| Name of the member             | Number of meetings held during tenure | Meetings attended | % of attendance |
|--------------------------------|---------------------------------------|-------------------|-----------------|
| Smt. Amita Misra (Chairperson) | 2                                     | 2                 | 100%            |
| Shri P. Kannan                 | 2                                     | 2                 | 100%            |
| Shri Rajeev Bakshi             | 2                                     | 2                 | 100%            |

Note: All the meetings were conducted through Video Conferencing due to the Covid Pandemic

The role, powers and terms of reference of the Nomination and Remuneration Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Nomination and Remuneration Committee broadly includes the following:

- Formulate criteria for determining qualifications, age, extension of term, positive attributes and independence of a Director and recommend to the Board the Nomination and Remuneration Policy.
- Devise a Board diversity policy.
- Formulate criteria for performance evaluation of Directors.
- Identify qualified persons and recommend to the Board of Directors appointment, remuneration and removal of Directors and senior management.
- Review Human Resource policies and succession planning.

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. All the recommendations of the Committee during the financial year 2021-22 were accepted by the Board of Directors.

The members of the Nomination and Remuneration Committee, i.e., Shri P. Kannan, Shri Rajeev Bakshi and the Chairperson, Smt,

Amita Misra were present at the Annual General Meeting of the Company held on September 21, 2021.

#### Performance evaluation criteria

The Nomination and Remuneration Committee, as part of the Nomination and Remuneration Policy, has formulated criteria and specified the manner of effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and effective evaluation of performance of key managerial personnel and senior management; and reviews its implementation and compliance.

During the financial year 2021-22, the performance evaluation of the Board and Committees of the Board was carried out by the Board. Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

#### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met three times during the financial year 2021-2022 on May 24, 2021, July 30, 2021 and October 29, 2021. The composition of the Stakeholders' Relationship Committee and attendance details of the Stakeholders' Relationship Committee meetings are given in below Table 6:

Table 6: Composition of Stakeholders' Relationship Committee and attendance details of Stakeholders' Relationship Committee meetings

| Name of the member        | Number of meetings held during tenure | Meetings attended | % of attendance |
|---------------------------|---------------------------------------|-------------------|-----------------|
| Shri P. Kannan (Chairman) | 3                                     | 3                 | 100%            |
| Shri Gautam Dalmia        | 3                                     | 3                 | 100%            |
| Shri B.B. Mehta           | 3                                     | 3                 | 100%            |

Note: All the meetings were conducted through Video Conferencing due to the Covid Pandemic



The role, powers and terms of reference of the Stakeholders' Relationship Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 20(4) of SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The Stakeholders' Relationship Committee looks into various aspects of interest of shareholders and other security holders and its role broadly includes the following:

- Resolve grievances of security holders.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to service standards adopted in respect of

services being rendered by the Registrar and Share Transfer Agent.

- Review measures for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by shareholders.

Ms. Aashima V Khanna, the Company Secretary, is the compliance officer of the Company and responsible for ensuring compliance with the requirements of Securities Laws.

#### Shareholders complaints

During the financial year 2021-22, the Company had received 143 complaints from the shareholders. Details of shareholders' complaints are given below in Table 7:

Table 7: Shareholders complaints

| Nature of Complaint                                                                                        | Pending as on April 01, 2021 | Received during the year | Resolved satisfactorily during the year | Pending as on March 31 2022 |
|------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------|-----------------------------------------|-----------------------------|
| Non-receipt of Annual Report                                                                               | NIL                          | 4                        | 4                                       | NIL                         |
| Non-receipt of Dividend Warrants                                                                           | NIL                          | 83                       | 83                                      | NIL                         |
| Non-receipt of securities after transfer / transmission / duplicate / demat / name correction / split etc. | NIL                          | 52                       | 52                                      | NIL                         |
| <b>Complaints received from:</b>                                                                           |                              |                          |                                         |                             |
| - Securities and Exchange Board of India                                                                   | NIL                          | 4                        | 4                                       | NIL                         |
| - Stock Exchanges                                                                                          | NIL                          | NIL                      | NIL                                     | NIL                         |
| - Registrar of Companies/ Department of Company Affairs                                                    | NIL                          | NIL                      | NIL                                     | NIL                         |
| Others                                                                                                     | NIL                          | NIL                      | NIL                                     | NIL                         |
| <b>Total</b>                                                                                               | <b>NIL</b>                   | <b>143</b>               | <b>143</b>                              | <b>NIL</b>                  |

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met five times during the financial year 2021-22 on May 24, 2021, July 30, 2021, October 29, 2021, February 04, 2022 and March 23, 2022. The composition of the Corporate Social Responsibility Committee and attendance details of the Corporate Social Responsibility Committee meetings are given in below Table 8:

Table 8: Composition of Corporate Social Responsibility Committee and attendance details of Corporate Social Responsibility Committee meetings

| Name of the member            | Number of meetings held during tenure | Meetings attended | % of attendance |
|-------------------------------|---------------------------------------|-------------------|-----------------|
| Smt Amita Misra (Chairperson) | 5                                     | 5                 | 100%            |
| Shri Gautam Dalmia            | 5                                     | 5                 | 100%            |
| Shri B.B. Mehta               | 5                                     | 5                 | 100%            |

Note: All the meetings were conducted through Video Conferencing due to the Covid Pandemic

The role, powers and terms of reference of the Corporate Social Responsibility Committee covers all the areas prescribed under Section 135 of the Companies Act, 2013 besides other terms as referred by the Board of Directors from time to time. The role of Corporate Social Responsibility Committee broadly includes the following:

- Formulate and recommend Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on activities to be undertaken by the Companies in the areas

or subject, specified on Schedule VII of the Companies Act, 2013.

- Monitor the Corporate Social Responsibility Policy from time to time.

All the recommendations of the Committee during the financial year 2021-22 were accepted by the Board of Directors.

The Board has adopted the CSR Policy as formulated and amended from time to time and recommended by the Committee. The CSR Policy is available on the website of the Company at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/>

Corporate-Social-Responsibility-Policy.pdf. The Annual Report on CSR activities for the financial year 2021-22 forms part of the Board's Report.

#### Risk Management Committee

The Risk Management Committee met two times during the financial year 2021-22 on October 29, 2021 and February 04, 2022. The composition of the Risk Management Committee and attendance details of the Risk Management Committee meetings are given in below Table 9:

Table 9: Composition of Risk Management Committee and attendance details of Risk Management Committee meetings

| Name of the member               | Number of meetings held during tenure | Meetings attended | % of attendance |
|----------------------------------|---------------------------------------|-------------------|-----------------|
| Shri Rajeev Bakshi (Chairperson) | 2                                     | 2                 | 100%            |
| Shri T. Venkatesan               | 2                                     | 2                 | 100%            |
| Shri B.B. Mehta                  | 2                                     | 2                 | 100%            |

Note: All the meetings were conducted through Video Conferencing due to the Covid Pandemic

The role, powers and terms of reference of the Risk Management Committee covers all the areas prescribed under Regulation 21(4) of the SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Risk Management Committee broadly includes the following:

- (1) To formulate a detailed risk management policy.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

The Company Secretary of the Company acts as the Secretary of the Risk Management Committee. All the recommendations of the Committee during the financial year 2021-22 were accepted by the Board of Directors.

#### Finance Committee

The Company has a Finance Committee with Smt. Amita Misra, Chairperson and Shri Gautam Dalmia and Shri Bharat Bhushan Mehta, members. The Finance Committee last met during the financial year 2019-20 on August 20, 2019.

The role of Finance Committee broadly includes the following:

1. Carry out such activities as delegated by the Board of Directors from time to time including inter corporate loans and investments within the delegated authority;
2. Valuation of undertakings or assets of the company, wherever it is necessary;

3. Monitoring the end use of funds raised through public offers and related matters.

#### (IV) GENERAL BODY MEETINGS

##### (a) Annual General Meetings ("AGM")

The AGMs are held at the registered office of the Company. But due to the COVID Pandemic and lockdown situation across the Country and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) has vide clarification dated 5th May 2022, pursuant to the circular nos. 20/2020 dated 5th May 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021 and 21/2021 dated 14th December, 2021 read with all other applicable provisions of laws, allowed the companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31st December, 2022 through VC/OVAM in accordance with the requirements laid down in circular dated 5th May, 2020.

Accordingly the AGM of the Company during 2021 was held through Audio Video Means and AGM during 2022 will also be held through Audio Video Means.

The Chairman/Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee attend the AGMs to respond to the queries of the shareholders.

Also, the representatives of the Statutory Auditors and Secretarial Auditors attend the AGMs to respond to the queries of shareholders, if any, with respect to audit observation / matter of emphasis or otherwise.

The representatives of the Registrar and Transfer Agent checks and verifies the attendance of members and Scrutinizer scrutinizes the voting (e-voting) and provides report thereon.

The details of the last three Annual General Meetings (AGMs) are given below in Table 10.

Table 10: Details ree AGMs

| AGM     | Date               | Time       | Location                                                                 |
|---------|--------------------|------------|--------------------------------------------------------------------------|
| 2020-21 | September 21, 2021 | 10:30 a.m. | Through Audio Visual means                                               |
| 2019-20 | September 18, 2020 | 10:30 a.m. | Through Audio Visual means                                               |
| 2018-19 | August 29, 2019    | 10:30 a.m. | Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651. |



**(b) Special Resolutions****Table 11: Details of Special Resolutions passed during last three AGMs**

|                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Special Resolutions passed at the 69th AGM held on September 21, 2021 | <ul style="list-style-type: none"><li>Re-appointment of Shri Gautam Dalmia as the Managing Director of the Company for a period of five years with effect from January 16, 2022.</li><li>Re-appointment of Shri Bharat Bhushan Mehta as the Whole Time Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2022.</li><li>Alteration of the object clause of the Memorandum of Association of the Company.</li><li>Alteration of the existing Articles of Association of Company by replacing the same with a new set of Articles of Association of the Company.</li></ul> |
| Special Resolutions passed at the 68th AGM held on September 18, 2020 | No Special Resolution was passed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Special Resolutions passed at the 67th AGM held on August 29, 2019    | <ul style="list-style-type: none"><li>Appointment of Shri Bharat Bhushan Mehta as Whole Time Director of the Company for a period of three years with effect from April 01, 2019.</li><li>Re-appointment of Mr. Panchapakesan Kannan as an Independent Director of the Company.</li><li>Alteration of the Articles of Association of the Company by insertion of a new article authorizing the Company to purchase its own shares or other specified securities.</li></ul>                                                                                                                                                      |

**(c) Postal Ballot**

No Special Resolution was passed during financial year 2021-22 through postal ballot.

As on the date of this report, no Special Resolution is proposed to be passed through Postal Ballot.

**(V) MEANS OF COMMUNICATION****Quarterly results**

The quarterly unaudited/audited financial results of the Company prepared in the format prescribed by SEBI Listing Regulations are recommended by the Audit Committee and approved by the Board of Directors. The same are limited reviewed/audited by the Statutory Auditors and are submitted to the Stock Exchanges, on which the shares of the Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited, within a period of 45 days of the close of every quarter and within a period of 60 days in case of annual financial results. The results are disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) within 30 minutes of the closure of the Board meeting.

The financial results are normally published in Business Line, i.e., the English language national daily newspaper circulating in the whole or substantially the whole of India and in Dinamani, i.e., the daily newspaper published in the language of the region where the registered office of the Company is situated, i.e., Tamil.

The financial results are also posted on the website of the Company, i.e., [www.dalmiasugar.com](http://www.dalmiasugar.com).

**Press Release / Presentations**

The Company also issues the press release on the results immediately after the Board meeting and same is also disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) and is also posted on the website of the Company, i.e., [www.dalmiasugar.com](http://www.dalmiasugar.com).

**Disclosures**

The Company files various disclosures with the Stock Exchanges including inter-alia, the quarterly Shareholding Pattern, Investors Complaints Report, Corporate Governance Report, Disclosures as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. electronically on NEAPS and BSE Listing Centre.

**(VI) GENERAL SHAREHOLDERS INFORMATION****(a) Annual General Meeting**

The Annual General Meeting of the Company is scheduled to be held on Thursday, August 04, 2022 at 10.30 a.m. through Audio Video Means as permitted by MCA clarification dated 5th May, 2022.

**(b) Financial year**

The financial year of the Company is from April 01, 2021 to March 31, 2022.

**(c) Dividend**

The Board of Directors has, at its meeting held on May 24, 2022, recommended a dividend of ₹1/- (50%) per equity share of face value of ₹2/- for the financial year 2021-22 and same shall be paid to the members of the Company whose names appear in the Register of Members of the Company as on the Record Date, i.e., July 28, 2022. The Dividend payment date is August 09, 2022 and it will be paid within a period of thirty days from the date of declaration by the shareholders at the AGM.

The dividend shall be paid through any of the electronic mode of payment facility as approved by the Reserve Bank of India. However, where it is not possible to use electronic mode of payment, Demand Drafts shall be issued.

**(d) Listing**

The Equity Shares issued from time to time, of the Company are listed on the following Stock Exchanges:

**(a) BSE Limited,**

New Trading Ring  
Rotunda Building  
P.J. Towers, Dalal Street, Fort  
Mumbai - 400001.

**(b) The National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor, Plot No. C/1, G - Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400051.

The Company has made the payment of annual listing fees to both the Stock Exchanges. Securities of the Company have never been suspended from trading.

**(e) Stock codes**

BSE Limited : 500097

National Stock Exchange of India Limited : DALMIASUG

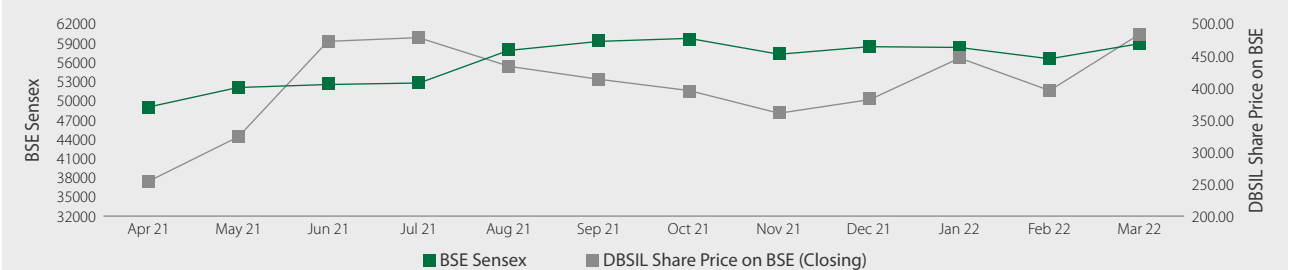
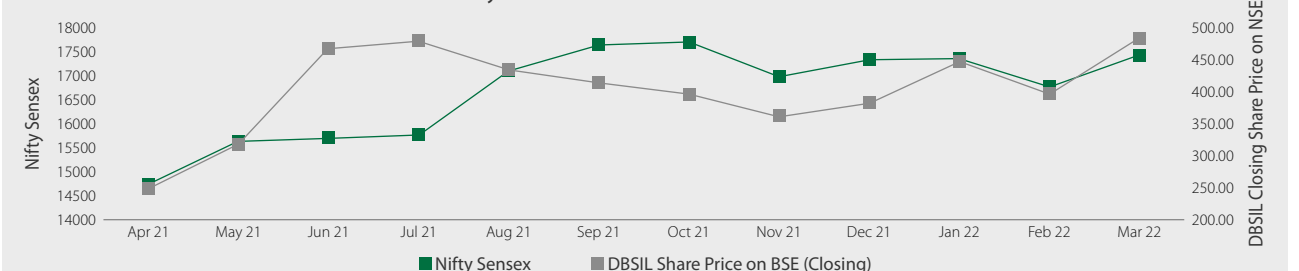
ISIN (for Dematerialised Shares) : INE495A01022

**(f) Market price data and performance comparison**

The market price data as per quotations of BSE Limited and National Stock Exchange of India Limited, i.e., high, low and close during each month in the financial year 2021-22 is given below in Table 12.

**Table 12: High, low and close market price of the shares during financial year 2021-22 at BSE and NSE**

| Month           | BSE    |        |        | NSE    |        |        |
|-----------------|--------|--------|--------|--------|--------|--------|
|                 | High   | Low    | Close  | High   | Low    | Close  |
| April, 2021     | 259.90 | 175.45 | 253.45 | 260.00 | 175.00 | 253.00 |
| May, 2021       | 354.85 | 252.00 | 324.85 | 355.00 | 251.70 | 324.95 |
| June, 2021      | 498.95 | 307.30 | 469.80 | 499.00 | 306.00 | 470.00 |
| July, 2021      | 495.00 | 436.95 | 478.85 | 495.00 | 437.00 | 479.85 |
| August, 2021    | 516.00 | 366.40 | 431.75 | 516.55 | 355.60 | 431.55 |
| September, 2021 | 436.95 | 390.00 | 412.80 | 437.00 | 384.00 | 412.45 |
| October, 2021   | 485.00 | 390.60 | 394.50 | 485.00 | 390.60 | 394.30 |
| November, 2021  | 439.95 | 340.00 | 361.85 | 437.00 | 324.80 | 362.25 |
| December, 2021  | 415.00 | 347.50 | 382.70 | 409.45 | 347.05 | 382.65 |
| January, 2022   | 494.75 | 382.25 | 444.95 | 494.90 | 382.60 | 445.35 |
| February, 2022  | 471.95 | 358.50 | 394.64 | 471.30 | 355.55 | 395.50 |
| March, 2022     | 544.55 | 390.00 | 481.85 | 545.00 | 388.50 | 481.00 |

**Chart A: Share Performance versus BSE Sensex**  
DBSIL share price on BSE vis a vis BSE Sensex**Chart B: Share Performance versus NIFTY**  
DBSIL share Price on NSE vis a vis S&P CNX Nifty

**(h) Registrar and Transfer Agent**

KFin Technologies Limited (formerly known as KFin Technologies Private Limited) having the address as under is the Registrar and Transfer Agent of the Company:

KFin Technologies Limited  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500032, Telangana.

Toll Free No: 1- 800-309-4001  
Email id: einward.ris@kfintech.com  
Website: www.kfintech.com

All activities in relation to the share transfer facility are maintained by the Registrar and Share Transfer Agent. A compliance certificate to this effect is submitted by the Company with the Stock Exchanges on a half yearly basis under signatures of the Compliance Officer of the Company and the authorized representative of the Registrar and Transfer Agent.

**(i) Share Transfer System and dematerialization of shares and liquidity**

The Company has provided demat facility to its shareholders

with National Securities Depository Limited as well as Central Depository Services Limited.

98.74% of the equity shares of the Company are in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form

During the financial year 2021-22, except in case of transmission or transposition of shares, requests for effecting transfer of shares were not processed unless shares were held in the dematerialized form with a depository, in compliance with Regulation 40 of SEBI Listing Regulations.

A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Savita Jyoti & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings. The Share Capital Audit Report is also submitted with Stock Exchanges on quarterly basis.

**(i) Distribution of Shareholding**

Tables 12 and 13 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2022.

**Table 13: Distribution of shareholding by size**

| <b>DALMIA BHARAT SUGAR AND INDUSTRIES LTD</b>         |                   |               |               |                 |               |
|-------------------------------------------------------|-------------------|---------------|---------------|-----------------|---------------|
| Distribution of Shareholding as on 31/03/2022 (TOTAL) |                   |               |               |                 |               |
| Sl. No.                                               | Category (Shares) | No.of Holders | % To Holders  | No.of Shares    | % To Equity   |
| 1                                                     | 1 - 500           | 38460         | 92.45         | 2499835         | 3.09          |
| 2                                                     | 501 - 1000        | 1453          | 3.49          | 1132831         | 1.40          |
| 3                                                     | 1001 - 2000       | 793           | 1.91          | 1195033         | 1.48          |
| 4                                                     | 2001 - 3000       | 304           | 0.73          | 774508          | 0.96          |
| 5                                                     | 3001 - 4000       | 144           | 0.35          | 514894          | 0.64          |
| 6                                                     | 4001 - 5000       | 87            | 0.21          | 397988          | 0.49          |
| 7                                                     | 5001 - 10000      | 178           | 0.43          | 1240805         | 1.53          |
| 8                                                     | 10001 - 20000     | 87            | 0.21          | 1265588         | 1.56          |
| 9                                                     | 20001 and above   | 95            | 0.23          | 71917821        | 88.85         |
|                                                       | <b>Total:</b>     | <b>41601</b>  | <b>100.00</b> | <b>80939303</b> | <b>100.00</b> |

**Table 14: Distribution of shareholding by ownership**

| Particulars                     | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------------|---------------------|-------------------|--------------------|-------------------|
| Promoters                       | 11                  | 0.06              | 1120450            | 1.38              |
| Promoters Bodies Corporate      | 9                   | 0.04              | 59513672           | 73.53             |
| Central/State Governments       | 4                   | 0.02              | 128155             | 0.16              |
| Financial Institutions/Banks    | 10                  | 0.02              | 50980              | 0.06              |
| Mutual Funds                    | 1                   | 0                 | 2500               | 0                 |
| Foreign Institutional Investors | 47                  | 1.11              | 931177             | 1.15              |
| Bodies Corporates               | 242                 | 0.59              | 632323             | 0.78              |
| NRI/Foreign Nationals           | 922                 | 2.25              | 353588             | 0.44              |
| IEPF                            | 1                   | 0                 | 1380068            | 1.71              |
| Individuals/Others              | 39793               | 96.83             | 16826390           | 20.79             |
| <b>Total</b>                    | <b>41039</b>        | <b>100</b>        | <b>80939303</b>    | <b>100</b>        |

**(j) Outstanding GDRs/ADRs/Warrants/Options**

Nil

**(k) Commodity price risk or foreign exchange risk and hedging activities**

Commodities form a major part of business of the Company and hence commodity price risk is one of the important risks for the Company. The Company has a robust mechanism in place to protect the Company's interest from risks arising out of market volatility. The Company's forward integration into cogeneration and distillery helped hedge revenues and moderate dependence

on sugar for profitability.

Company is exporting large amount of sugar. Most of these exports are done in foreign currency, hence there is a risk of exchange rate fluctuation especially in the current volatile scenario. Hence, the Company hedge all the foreign currency exposures.

**(l) Plant locations**

The Company has manufacturing plants at various locations in India as detailed below in Table 15.

**Table 15: Plant Locations**

| Sugar Plants                                                                                                                                                                                              |                                                                                                                                                                                              |                                                                                                                                                   |                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Unit: Ramgarh</b><br>Village & Post - Ramgarh,<br>Tehsil - Mishrikh, District - Sitapur,<br>Pincode - 261403, Uttar Pradesh                                                                            | <b>Unit: Nigohi</b><br>Village - Kuiyan, Post - Areli,<br>Tehsil - Tilhar, District - Shahjahanpur,<br>Pincode - 242407, Uttar Pradesh                                                       | <b>Unit: Jawaharpur</b><br>Village - Jawaharpur, Post - Ramkot,<br>Tehsil - Sitapur Sadar, District - Sitapur,<br>Pincode - 261001, Uttar Pradesh |                                                                                                                                                                                           |
| <b>Unit: Shri Datta, Asurle - Porle</b><br>Village - Asurle-Porle, Post - Porle Turf Thane, Taluka - Panhala,<br>District - Kolhapur, Pincode - 416229, Maharashtra                                       |                                                                                                                                                                                              | <b>Unit: Ninaidevi, Kokrud</b><br>Village & Post - Karungali-Aarala, Taluka - Shirala,<br>District - Sangli, Pincode - 415405, Maharashtra        |                                                                                                                                                                                           |
| Distillery Units                                                                                                                                                                                          |                                                                                                                                                                                              |                                                                                                                                                   |                                                                                                                                                                                           |
| <b>Unit: Ramgarh</b><br>Village & Post - Ramgarh,<br>Tehsil - Mishrikh,<br>District - Sitapur,<br>Pincode - 261403,<br>Uttar Pradesh                                                                      | <b>Unit: Jawaharpur</b><br>Village - Jawaharpur,<br>Post - Ramkot, Tehsil - Sitapur<br>Sadar, District - Sitapur,<br>Pincode - 261001,<br>Uttar Pradesh                                      | <b>Unit: Nigohi</b><br>Village - Kuiyan, Post - Areli,<br>Tehsil - Tilhar,<br>District - Shahjahanpur,<br>Pincode - 242407,<br>Uttar Pradesh      | <b>Unit: Asurle-Porle</b><br>Village - Asurle-Porle,<br>Post - Porle Turf Thane,<br>Taluka - Panhala,<br>District - Kolhapur,<br>Pincode - 416229,<br>Maharashtra                         |
| <b>Magnesite Refractory Products:</b><br>Dalmia Magnesite Corporation<br>(Prop. Dalmia Bharat Sugar and<br>Industries Limited)<br>Salem (Tamil Nadu)<br>Vellakkalpatti, P.O. Karuppur,<br>Salem - 636012. | <b>Wind Farm Unit:</b><br>Dalmia Wind Farm<br>(Prop. Dalmia Bharat Sugar and<br>Industries Limited)<br>Muppandal (Tamil Nadu)<br>Aralvaimozhy - 629301<br>District Kanyakumari, (Tamil Nadu) |                                                                                                                                                   | <b>Electronics Division:</b><br>Dalmia Bharat Sugar and Industries<br>Limited<br>Plot No. 53, 54A, Keonics Electronics City,<br>Phase - 1 Hosur Road,<br>Bangalore - 560100,<br>Karnataka |

**(m) Address for correspondence**

Dalmia Bharat Sugar and Industries Limited

**(1) Share Department**

Dalmiapuram - 621651  
Dist. Tiruchirapalli, Tamil Nadu  
Phone: 04329 - 235132, Fax: 04329 235111

**(2) Company Secretary**

11th and 12th Floor,  
Hansalaya Building,  
15, Barakhamba Road  
New Delhi - 110 001

The Company has also designated corp.sec@dalmiabharat.com as an exclusive email ID for investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

**(n) Credit rating**

During the financial year 2021-22, ICRA Limited has upgraded the long-term rating to [ICRA]AA (pronounced ICRA double AA) from [ICRA]AA- (pronounced ICRA double AA, Minus) the Rating Committee of ICRA, after due consideration, has reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus). The outlook on the long-term rating is Stable.





Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations and instruments with [ICRA]A1 rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Within this category, rating modifier {"+"} used with the rating symbol reflects the comparative standing within the category.

## (VII) DISCLOSURES

### (a) Significant related party transactions

All the related party transactions have been entered into in the ordinary course of business and at arms' length basis.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

The Company's Policy on Related Party Transactions is posted at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Policy-on-Related-Party-Transactions.pdf>.

### (b) Loans and advances

During the year under review, the Company and its subsidiary have not given any Loans and advances in the nature of loans to firms/companies in which directors are interested

### (c) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is posted at <https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Policy-on-Material-Subsidiaries.pdf>. As per the said policy, the Company do not have any material unlisted subsidiary.

The Audit Committee and Board periodically reviews the financial performance of the subsidiary company and the quarterly financial results and annual financial statements are placed before the Audit Committee meetings and Board meetings of the Company. The minutes of meetings of the Board of Directors of the subsidiary company are placed before the Board meeting of the Company. Statement of all significant transactions and arrangements entered into by subsidiaries is brought to the notice of the Board of Directors of the Company.

### (d) Disclosure in relation to the Sexual Harassment of Women at Work place (Prevention Prohibition & Redressal) Act, 2013

The Company is committed to create a workplace free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company has in place Policy against sexual harassment of women. During the year the Company received one sexual harassment complaint and the same was resolved during the year and there are no pending complaints at the end of the end of the year.

### (e) Whistle Blower Mechanism

The Company has Whistle Blower policy and Vigil Mechanism and same is posted on the Company's web-site at

<https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf>.

As per the said policy, no person has been denied access to the Audit Committee.

### (f) Disclosure of accounting treatment in preparation of Financial Statements.

The Company has followed the guidelines of Ind AS specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

### (g) Details of non-compliance

During last three years, there were no instances of non-compliance and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

There has been no non-compliance of any requirements of corporate governance report prescribed under Schedule V of SEBI Listing Regulations.

### (h) Compliance

Mandatory requirements:

The Company has complied with all the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

Discretionary requirements:

The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

In compliance with the Listing Regulations, a compliance certificate from M/s Harish Khurana & Associates, Company Secretaries, regarding compliance of conditions of Corporate Governance is annexed to this Report.

### (i) Details of utilization of funds raised through preferential allotment or qualified institutions placement

No funds have been raised by the Company through preferential allotment or qualified institutions placement in the last three years

### (j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which Statutory Auditor is a part

The total fees paid by the Company to NSBP & Co., Chartered Accountants, the Statutory Auditors of the Company, during the year was ₹20 Lakh.

### (k) Unclaimed Suspense Account

Not applicable.

## Practicing Company Secretaries' Certificate on Corporate Governance

To  
The Members of  
Dalmia Bharat Sugar and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Sugar and Industries Limited ("the Company") for the financial year ended 31st March 2022, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### Opinion

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Harish Khurana & Associates,**  
Company Secretaries

**(Harrish Khurana)**

FCS - 4835

CP- 3506

UDIN: F004835D000378252

Date: May 24, 2022

Place: Delhi



To,  
The Board of Directors  
**Dalmia Bharat Sugar and Industries Limited**  
Sub: - Compliance Certificate.

Dear Sir(s)/ Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2022;
  - b) that there are no significant changes in accounting policies during the financial year ended March 31, 2022; and
  - c) that there are no instances of significant fraud of which we have become aware.

Yours Sincerely,

For Dalmia Bharat Sugar and Industries Limited

**Anil Kataria**  
(Chief Financial Officer)  
PAN: AALPK4889N

**Bharat Bhushan Mehta**  
(Whole-time Director & CEO)  
DIN: 00006890

Dated: May 24, 2022  
Place: New Delhi

## Declaration

It is hereby declared, in terms of Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, that the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company.

Dated: May 24, 2022  
Place: New Delhi

**Bharat Bhushan Mehta**  
Whole Time Director & CEO  
DIN: 00006890

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**Dalmia Bharat Sugar and Industries Limited**  
Dalmiapuram, Tiruchirapalli Distt.  
Tamilnadu

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dalmia Bharat Sugar and Industries Limited having CIN: L15100TN1951PLC000640 and having registered office at Dalmiapuram, Tiruchirapalli Distt., Tamilnadu (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Harish Khurana & Associates

Company Secretaries

Dated: May 24, 2022  
Place: Delhi

C. P. No. 3506  
UDIN: F004B35D0003ZB230





# Business Responsibility & Sustainability Report

|              |                                                                                                                                     |   |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------|---|
| Section A:   | General disclosures                                                                                                                 | □ |
| Section B:   | Management and process disclosures                                                                                                  | □ |
| Section C:   | Principle-wise performance disclosure                                                                                               | □ |
| Principle 1: | Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable         | □ |
| Principle 2: | Businesses should provide goods and services in a manner that is sustainable and safe                                               | □ |
| Principle 3: | Businesses should respect and promote the well-being of all employees, including those in their value chains                        | □ |
| Principle 4: | Businesses should respect the interests of and be responsive to all its stakeholders                                                | □ |
| Principle 5: | Businesses should respect and promote human rights                                                                                  | □ |
| Principle 6: | Businesses should respect and make efforts to protect and restore the environment                                                   | □ |
| Principle 7: | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent | □ |
| Principle 8: | Businesses should promote inclusive growth and equitable development                                                                | □ |
| Principle 9: | Businesses should engage with and provide value to their consumers in a responsible manner                                          | □ |

## Section A : GENERAL DISCLOSURES

### I. Details of the listed entity

|    |                                                                                                                                                                                                                                                                    |                                                                                               |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| 1  | Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                                               | L15100TN1951PLC000640                                                                         |
| 2  | Name of the Listed Entity                                                                                                                                                                                                                                          | Dalmia Bharat Sugar and Industries Limited                                                    |
| 3  | Year of incorporation                                                                                                                                                                                                                                              | 1951                                                                                          |
| 4  | Registered office address                                                                                                                                                                                                                                          | Dalmiapuram, District Tiruchirapalli, Tamil Nadu - 621651                                     |
| 5  | Corporate address                                                                                                                                                                                                                                                  | 11th & 12th Floor, Hansalaya building, 15, Barakhamba Road, New Delhi - 110001                |
| 6  | E-mail                                                                                                                                                                                                                                                             | corp.sec@dalmiabharat.com                                                                     |
| 7  | Telephone                                                                                                                                                                                                                                                          | 011-23465100                                                                                  |
| 8  | Website                                                                                                                                                                                                                                                            | www.dalmiasugar.com                                                                           |
| 9  | Financial year for which reporting is being done                                                                                                                                                                                                                   | 2021-2022                                                                                     |
| 10 | Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                                              | BSE Limited and National Stock Exchange of India Limited                                      |
| 11 | Paid-up Capital                                                                                                                                                                                                                                                    | ₹16.19 Crore                                                                                  |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report                                                                                                                                   | Aashima V Khanna - 011-23465100, khanna.aashima@dalmiasugar.com and corp.sec@dalmiabharat.com |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone Basis                                                                              |

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| Sl. No. | Description of Main Activity | Description of Business Activity                                                           | % Turnover of the entity |
|---------|------------------------------|--------------------------------------------------------------------------------------------|--------------------------|
| 1       | Manufacturing                | Food, beverages and tobacco products                                                       | 72%                      |
| 2       | Manufacturing                | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 23%                      |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S.No | Product/Service    | NIC Code | % of total Turnover contributed |
|------|--------------------|----------|---------------------------------|
| 1    | Sugar              | 10721    | 72%                             |
| 2    | Industrial Alcohol | 11011    | 23%                             |
| 3    | Power              | 35106    | 4%                              |

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Headquartered in Delhi, the Company has manufacturing facilities in Uttar Pradesh and Maharashtra, possibly the only instance of a company with sugar operations in these two non-contiguous states in India.

| Location      | Number of Plants | Number of Offices |
|---------------|------------------|-------------------|
| National      | 5                | 2                 |
| International | -                | -                 |

#### 17. Markets served by the entity:

##### a. Number of locations

| Locations                        | Number                                                                                                                                                                        |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National (No. of States)         | PAN India with major markets being Uttar Pradesh, Maharashtra and the eastern states                                                                                          |
| International (No. Of Countries) | Middle East, SAARC and Mediterranean Countries including Indonesia, Malaysia, Bangladesh, Sri Lanka, Nepal, Bhutan, Middle East, Mediterranean countries and East Africa etc. |

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Sugar exports contribute to 25% of total turnover of the Company.

**c. A brief on types of customers**

The Company is a preferred sugar supplier to brand-enhancing institutional giants such as Hindustan Unilever, Coca-Cola, PepsiCo, Mondelez, Monginis, Perfetti, Britannia, Walmart India, Dabur, D-Mart, India Glycols Allied Blenders & Distillers, United Breweries, Carlsberg, SABMiller and others in the alcohol industry. The Company has also turned its wholesale business towards the retail, selling products in various platforms including inter-alia Amazon, Big Basket, Flipkart, Indiamart. We market specialty sugar (brown, white, coffee and icing sugar) packets of 500 gm, 1 kg, 2 kg and 5 kg and Sugar Sachets under the Dalmia Utsav brand.

The Company sells power to UP and Maharashtra Grid and Ethanol to oil companies namely IOCL/BPCL/HPCL.

**IV. Employees****18. Details as at the end of Financial Year: 2021-22****a. Employees and workers (including differently abled):**

| Sl. No.   | Particulars              | Total (A) | Male    |         | Female  |         |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
|           |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES |                          |           |         |         |         |         |
| 1         | Permanent (D)            | 444       | 441     | 99.3%   | 3       | 0.7%    |
| 2         | Other than permanent (E) | 0         | 0       |         | 0       |         |
| 3         | Total Employees (D+E)    | 444       | 441     | 99.3%   | 3       | 0.7%    |
| WORKERS   |                          |           |         |         |         |         |
| 4         | Permanent (F)            | 1696      | 1689    | 99.6%   | 7       | 0.4%    |
| 5         | Other than permanent (G) | 952       | 948     | 99.6%   | 4       | 0.4%    |
| 6         | Total Employees (F+G)    | 2648      | 2637    | 99.6%   | 11      | 0.4%    |

**b. Differently abled Employees and workers:**

| Sl. No.                     | Particulars                             | Total | Male    |         | Female  |         |
|-----------------------------|-----------------------------------------|-------|---------|---------|---------|---------|
|                             |                                         |       | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES |                                         |       |         |         |         |         |
| 1                           | Permanent (D)                           | 0     | 0       | 0       | 0       | 0       |
| 2                           | Other than permanent (E)                | 0     | 0       | 0       | 0       | 0       |
| 3                           | Total differently abled Employees (D+E) | 0     | 0       | 0       | 0       | 0       |
| DIFFERENTLY ABLED WORKERS   |                                         |       |         |         |         |         |
| 4                           | Permanent (F)                           | 4     | 4       | 100%    | 0       | 0       |
| 5                           | Other than permanent (G)                | 1     | 1       | 100%    | 0       | 0       |
| 6                           | Total differently abled Employees (F+G) | 5     | 5       | 100%    | 0       | 0       |

**19. Participation/Inclusion/Representation of women**

|                          | Total (A) | No. and percentage of females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 6         | 1                             | 17%     |
| Key Management Personnel | 4         | 1                             | 25%     |

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

|                     | FY_2021-22 (Turnover rate in current FY) |        |       | FY_2020-21 (Turnover rate in previous FY) |        |       | FY_2019-20 (Turnover rate in the year prior to the previous FY) |        |       |
|---------------------|------------------------------------------|--------|-------|-------------------------------------------|--------|-------|-----------------------------------------------------------------|--------|-------|
|                     | Male                                     | Female | Total | Male                                      | Female | Total | Male                                                            | Female | Total |
| Permanent Employees | 11%                                      | 25%    | 11.1% | 14%                                       | 0      | 14%   | 10%                                                             | 0      | 10%   |
| Permanent Workers   | 4%                                       | 0%     | 4%    | 4.6%                                      | 25%    | 4.7%  | 7%                                                              | 0      | 7%    |

**V .Holding, Subsidiary and Associate Companies (including joint ventures)****21. a. Names of holding / subsidiary / associate companies / joint ventures**

| Sl. No. | Name of the holding / subsidiary /associate/ companies /joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---------|----------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1       | *Himshikhar Investment Limited                                             | Wholly Owned Subsidiary                                        | 100%                              | Yes                                                                                                                          |

\*Himshikhar Investment Limited has been merged with the Company with effect from April 01, 2021 (appointed date) vide NCLT order dated June 10, 2022

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes  
(ii) Turnover (in ₹) - ₹3018.25 Crore  
(iii) Net worth (in ₹) - ₹2314.33 Crore

**VII. Transparency and Disclosures Compliances****23. Transparency and Disclosures Compliances**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)                                                                                                                                                                  | FY 2020- 2021 Current Financial Year       |                                                              |         | FY 2019-2020 Previous Financial Year       |                                                              |         |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|---------|--------------------------------------------|--------------------------------------------------------------|---------|
|                                                   |                                                                                                                                                                                                                                                                                 | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Shareholders                                      | Yes for all stakeholders. Link: <a href="https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf">https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf</a> | 143                                        | 0                                                            | -       | 103                                        | 0                                                            | -       |
| Employees and Workers                             |                                                                                                                                                                                                                                                                                 | 7                                          | 0                                                            | -       | 5                                          | 0                                                            | -       |
| Customers                                         |                                                                                                                                                                                                                                                                                 | 46                                         | 1                                                            | -       | 44                                         | 0                                                            | -       |
| Value Chain Partners                              |                                                                                                                                                                                                                                                                                 | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Others (please specify)                           |                                                                                                                                                                                                                                                                                 | -                                          | -                                                            | -       | -                                          | -                                                            | -       |

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| Sl. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity                                                                                          | In case of risk, approach to adapt or mitigate                                                 | Financial implications of the risk or opportunity (Indicate positive or negative implications)            |
|---------|---------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1       | Government policies       | Risk                                       | Changes in government policies at macro level effect the operations and profitability of the company.                                     | Through representations via various forums like- IMSA, UPSMA, WISMA, UP Cogen association etc. | Substantial Impact on profitability of the company.                                                       |
| 2       | Cane yield & recovery     | Risk                                       | Key lever for health of business operations having significant bearing on performance coupled with unevenness observed in last 2-3 years. | Robust cane development plan and changes in varietal mix.                                      | Substantial Impact on profitability of the company.                                                       |
| 3       | Ethanol Capacity          | Opportunity                                | Special impetus of Government on Ethanol blending                                                                                         | Not Applicable                                                                                 | Higher profitability alongwith increase in proportion of more stable segment i.e. Ethanol in revenue mix. |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine





|    |                                                                                                                                    |
|----|------------------------------------------------------------------------------------------------------------------------------------|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable            |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe                                              |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains                       |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders                                          |
| P5 | Businesses should respect and promote human rights                                                                                 |
| P6 | Businesses should respect, protect and make efforts to restore the environment                                                     |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development                                                               |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner                                         |

The water table in our catchment area in UP has depleted by 2 meters in last 10 years. To address this concern, we aim to become

We are in the process of executing our defined targets from the coming FY2022-23.

Financial Statements

Keeping Sustainability as the main driving force, we have identified 34 material aspects which are categorized under our sustainability pillars of responsible consumption, responsible growth & business ethics, sustainable farming practices and empowering people. We have identified our material topics under each of our pillars and have derived short, medium and long terms goals for each of them ensuring full coverage of all ESG related aspects. We have a sustainability policy that spells out the company's philosophy towards the sustainability commitments and lays down the approach to manage environmental, social and governance aspects guidelines, framework and mechanism

The targets related to environmental KPI such as water reduction in operations, usage of alternative fuels and raw materials as well as mitigation and management of climate change impacts is part of the KRA of senior management.

| Questions                                                                                                                       | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)                                                   | Not Applicable |    |    |    |    |    |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | Not Applicable |    |    |    |    |    |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | Not Applicable |    |    |    |    |    |    |    |    |
| It is planned to be done in the next financial year (Yes/No)                                                                    | Not Applicable |    |    |    |    |    |    |    |    |
| Any other reason (please specify)                                                                                               | Not Applicable |    |    |    |    |    |    |    |    |

**SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE**

**Principle 1: businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable**

**ESSENTIAL INDICATORS**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------|
| Board of Directors                | 12                                                     | P1, P2, P3, P4,P6 and P8                                      | 100%                                                                       |
| Key Managerial Personnel          | 12                                                     | P1, P2, P3, P4,P6 and P8                                      | 100%                                                                       |
| Employees other than BoD and KMPs | 27                                                     | P3                                                            | 71%                                                                        |
| Workers                           | 83                                                     | P3                                                            | 49%                                                                        |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

**MONETARY**

|                 | NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes / No) |
|-----------------|-----------------|-----------------------------------------------------------------------|-----------------|-------------------|------------------------------------------|
| Penalty / Fine  |                 |                                                                       | Nil             |                   |                                          |
| Settlement      |                 |                                                                       | Nil             |                   |                                          |
| Compounding fee |                 |                                                                       | Nil             |                   |                                          |

**NON-MONETARY**

|              | NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes / No) |
|--------------|-----------------|-----------------------------------------------------------------------|-------------------|------------------------------------------|
| Imprisonment |                 |                                                                       | Nil               |                                          |
| Punishment   |                 |                                                                       | Nil               |                                          |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details   | Name of the regulatory / enforcement agencies / judicial institutions |
|----------------|-----------------------------------------------------------------------|
| Not Applicable |                                                                       |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. At DBSIL, 'Responsible growth & Business ethics' is a material aspect that is most vital and significant. Our corporate governance framework and philosophy originates from our responsibility towards maximizing stakeholders' value. It is a systematic continuous process which ensures enhancement in wealth-generating capacity and long-term success. We believe in a system driven performance and accord highest priority to it. We believe that growth and efficiency are blended with governance and ethics. The Board of Directors, guided by the mission statement, formulates strategies and policies having focus on optimising value for various stakeholders including consumers, shareholders and society at large.

DBSIL provides good quality of life to employees through an open environment which is supportive of their personal and professional development. Our employees work in accordance with our code of conduct. We have an ethics helpline number through which employees can file a complaint whenever they come across any unethical behaviour. Anonymity of reporter is maintained, and reports of ethics helpline are sent to the ethics committee and Audit Committee regularly.

The Code of Conduct for Directors and Senior Management, Whistle Blower Policy and Vigil Mechanism, Related Party Transactions Policy and Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, amongst others, serve as a roadmap for all employees of the Company and other stakeholders, wherever applicable. The Company has adequate control measures in place to address the issues relating to ethics, bribery and corruption. The statutory policies are available at <https://www.dalmiasugar.com/investors/>

5. Number of Directors / KMPs /employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

|           | FY 2021-22 (Current FY) | FY 2020-21 (Previous FY) |
|-----------|-------------------------|--------------------------|
| Directors | Nil                     | Nil                      |
| KMPs      |                         |                          |
| Employees |                         |                          |
| Workers   |                         |                          |

6. Details of complaints with regard to conflict of interest:

|                                                                                              | FY 2021-22 (Current FY) | FY 2020-21 (Previous FY) |
|----------------------------------------------------------------------------------------------|-------------------------|--------------------------|
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil                     | Nil                      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil                     | Nil                      |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

Not Applicable

**LEADERSHIP INDICATORS**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held                  | Topics / Principles covered under the training                                                                   | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 4 Awareness Programmes (Delhi, Chandigarh,Kolkata,Lucknow) | Education on pure & adultrated honey & detailing of our product around the best quality aspect of any food items | 50-60%                                                                                                             |

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has the code of conduct for the Board and Senior Management pursuant to Regulation 17(5) (a) of SEBI Listing Regulations.

**Principle 2: businesses should provide goods and services in a manner that is sustainable and safe**

**ESSENTIAL INDICATORS**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

|       | Current Financial Year                     | Previous Financial Year                    | Details of improvements in environmental and social impacts                      |
|-------|--------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------|
| R&D   | ₹5.48 Crore<br>(Cane Development Expenses) | ₹3.81 Crore<br>(Cane Development Expenses) | Increase in sugarcane yield, sugar recovery, soil fertility and farmer's income. |
| Capex | ₹33.67 Crore                               | ₹0.17 Crore                                | Reduction in ground water drawal and achievement of Zero Liquid Discharge (ZLD)  |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Almost 100% of the raw materials are procured sustainability. All plants of the Company are proximate to the cane growing area. Since the raw materials are procured from sources close to the units, it enables the Company to minimize transaportation costs. A significant proportion of the cane is supplied by small and medium-scale farmers through bullock-driven carts due to the distance, reducing pollution.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company's major product is Sugar. The principal cane crushing operation generates molasses as a by-product, which is utilized to manufacture ethanol. The waste generated from sugar crushing operations (bagasse) and distillery operations (spent wash) are used as





fuels for generating clean energy. Boiler ash generated from the incineration plants is rich in potash and a vital soil nutrient. We have also installed K-Ash plant for converting rich potash into an agro-input. The spent-wash is also utilized with press mud (mulched together) to produce bio-compost (manure) of rich-nutrients for plants and recycled to maintain soil nutrients. Thus, the by-products and waste generated from the manufacturing processes are largely reused/recycled.

Our products do not produce any e-waste and hazardous waste. However, the e-waste produced during the office operations is sold to the registered recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility is applicable on us and action plan is derived on the basis of SOP provided by CPCB. Ministry of environment and climate change and CPCB has come out with revised rules and SOP along with newly design portal for EPR only. We are in processs for registration with CPCB as per guidelines.

#### LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) If yes, provide the web-link |
|----------|---------------------------|---------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|
|----------|---------------------------|---------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|

No Life Cycle Assessments have been done yet.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| -                         | -                                 | -            |

Since the products of the Company are agriculture based, there are no significant social or environmental concerns and/or risks arising from production or disposal of the same.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material |                          |
|-------------------------|------------------------------------------------------|--------------------------|
|                         | FY 2021-22 (Current FY)                              | FY 2020-21 (Previous FY) |
| -                       | -                                                    | -                        |

Almost 100% of molasses, generated through cane crushing operation is utilized to manufacture ethanol. Also, almost 100% of bagasse, the waste generated from sugar crushing operations and spent wash, generated from distillery operations are used as fuels for generating clean energy. Also, Boiler ash generated from the incineration plants is converted into agro-input. Also, the spent-wash is utilized to produce bio-compost (manure) of rich-nutrients for plants and recycled to maintain soil nutrients.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

|                                | FY 2021-22 (Current FY) |          |                 | FY 2020-21 Previous Financial Year |          |                 |
|--------------------------------|-------------------------|----------|-----------------|------------------------------------|----------|-----------------|
|                                | Re-Used                 | Recycled | Safely Disposed | Re-Used                            | Recycled | Safely Disposed |
| Plastics (including packaging) | 72                      | 0        | 142             | 93                                 | 9        | 71              |
| E-Waste                        | 0                       | 0.052    | 1.7             | 0                                  | 0        | 0.4             |
| Hazardous waste (Used Oil)     | 1.2                     | 0.0      | 0               | 1.8                                | 2.8      | 0               |
| Other waste                    | 0                       | 0        | 0               | 0                                  | 0        | 0               |
| Bagasse MT                     | 1275319                 | 0        | 0               | 1211473                            | 0        | 0               |
| Slop (Industrial Waste) MT     | 172816                  | 0        | 0               | 186455                             | 0        | 0               |
| Water ( KL)                    | 117981                  | 9,61,257 | 0               | 801910                             | 333199   | 0               |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |                                      |
|---------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------|
|                           | FY 2021-22 (Current FY)                                                                             | FY 2020-21 (Previous Financial Year) |
| Reprocessed Sugar MT      | 1317                                                                                                | 5006                                 |
| Reprocessed Sugar %       | 0.21%                                                                                               | 0.96%                                |

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

#### ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

| Category                       | % of employees covered by |                  |         |                    |         |                    |         |                    |         |                     |         |
|--------------------------------|---------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                                | Total (A)                 | Health Insurance |         | Accident Insurance |         | Maternity Benefits |         | Paternity Benefits |         | Day Care Facilities |         |
|                                |                           | No. (B)          | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | NO. (E)            | % (E/A) | NO. (F)             | % (F/A) |
| Permanent Employees            |                           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                           | 441                       | 441              | 100%    | 441                | 100%    |                    | 0%      | 441                | 100%    | 0                   | 0       |
| Female                         | 3                         | 3                | 100%    | 3                  | 100%    | 3                  | 100%    |                    | 0%      | 0                   | 0       |
| Total                          | 444                       | 444              | 100%    | 444                | 100%    | 3                  | 1%      | 441                | 99%     | 0                   | 0       |
| Other than Permanent Employees |                           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                           | 0                         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |
| Female                         | 0                         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |
| Total                          | 0                         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |

b. Details of measures for the well-being of workers:

| Category                     | % of workers covered by |                  |         |                    |         |                    |         |                    |         |                     |         |
|------------------------------|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                              | Total (A)               | Health Insurance |         | Accident Insurance |         | Maternity Benefits |         | Paternity Benefits |         | Day Care Facilities |         |
|                              |                         | No. (B)          | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| Permanent Workers            |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                         | 1689                    | 1121             | 66%     | 1689               | 100%    | 0                  | 0%      | 0                  | 0%      | NA                  | NA      |
| Female                       | 7                       | 7                | 100%    | 7                  | 100%    | 7                  | 100%    | 0                  | 0%      |                     |         |
| Total                        | 1696                    | 1128             | 67%     | 1696               | 100%    | 7                  | 0%      | 0                  | 0%      |                     |         |
| Other than Permanent Workers |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                         | 948                     | 0                | 0%      | 948                | 100%    | 0                  | 0%      |                    | 0%      | NA                  | NA      |
| Female                       | 4                       | 0                | 0%      | 4                  | 100%    | 4                  | 100%    |                    | 0%      |                     |         |
| Total                        | 952                     | 0                | 0%      | 952                | 100%    | 4                  | 0%      | 0                  | 0%      |                     |         |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits                | FY 2021-22 Current Financial Year                  |                                                |                                                      | FY 2020-21 Previous Financial Year                 |                                                |                                                      |
|-------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100                                                | 100                                            | Y                                                    | 100                                                | 100                                            | Y                                                    |
| Gratuity                | 100                                                | 100                                            | Y                                                    | 100                                                | 100                                            | Y                                                    |
| ESI                     | 100                                                | 100                                            | Y                                                    | 100                                                | 100                                            | Y                                                    |
| Others - Please Specify | None                                               | -                                              | -                                                    | -                                                  | -                                              | -                                                    |

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company ensures diversity in the workplace and provide equal opportunity and fair treatment to all employees including eligible applicants for employment without any bias towards caste, creed, religion, origin, gender, marital status, age and nationality starting from the recruitment to the closure of full and final settlement. All decisions with respect to employee acquisition, L & D, promotions, compensation & benefits, transfers and termination are objective and based on the fact of the matter. These guidelines with regard to fair employment are internal and not uploaded on the website. However, these guidelines do not specifically provide for persons with disabilities.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent employees |                | Permanent workers   |                |
|--------|---------------------|----------------|---------------------|----------------|
|        | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male   | 100%                | 100%           | 100%                | 100%           |
| Female | 100%                | 100%           | 100%                | 100%           |
| Total  | 100%                | 100%           | 100%                | 100%           |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

|                                | Yes / No<br>(If yes, then give details of the mechanism in brief)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permanent Workers              | Yes. We have Works Committee, Whistle Blower Policy and Vigil Mechanism.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Other than Permanent Workers   | Works Committee to promote measures for securing and preserving amity and good relations between the employer and workmen and, to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters.<br><br>Whistle Blower Policy Objective: To provide a platform to all stakeholders to voice genuine concerns about any breach of the Code of Conduct or company's guidelines or values. The platform shall ensure that all complaints are heard, recorded and registered with the ethics committee for further action with transparency and confidentiality so that it improves confidence in the organisation and also acts as a deterrent against deviations from guidelines, values and the DNA. The whistle blowing is recorded through an independent third party monitored 'Ethics help line' |
| Permanent Employees            | Yes. We have Whistle Blower Policy for the entire Company:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Other than Permanent Employees | Whistle Blower Guideline Objective: To provide a platform to all stakeholders to voice genuine concerns about any breach of the Code of Conduct or company's guidelines or values. The platform shall ensure that all complaints are heard, recorded and registered with the ethics committee for further action with transparency and confidentiality so that it improves confidence in the organisation and also acts as a deterrent against deviations from guidelines, values and the DNA. The whistle blowing is recorded through an independent third party monitored 'Ethics help line'                                                                                                                                                                                                                                                                                                     |

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

The Company recognises employees need to form trade unions so that they can put forward their aspirations in a better way to the senior management. The Company has trade unions in Maharashtra facilities. There are no unions in Uttar Pradesh facilities. Interactions between senior management and trade unions are conducted periodically to maintain cordial relations.

| Category                  | FY 2021-22 (Current FY)                              |                                                                                                |         | FY 2020-21 (Previous FY)                             |                                                                                                |         |
|---------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------|---------|------------------------------------------------------|------------------------------------------------------------------------------------------------|---------|
|                           | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent Employees |                                                      |                                                                                                |         |                                                      |                                                                                                |         |
| Male                      | 441                                                  | 0                                                                                              | 0       | 416                                                  | 0                                                                                              | 0       |
| Female                    | 3                                                    | 0                                                                                              | 0       | 4                                                    | 0                                                                                              | 0       |
| Total Permanent Workers   |                                                      |                                                                                                |         |                                                      |                                                                                                |         |
| Male                      | 1689                                                 | 639                                                                                            | 38%     | 1470                                                 | 641                                                                                            | 44%     |
| Female                    | 7                                                    | 7                                                                                              | 100%    | 7                                                    | 7                                                                                              | 100%    |

**8. Details of training given to employees and workers**

| Category  | FY 2021-22 Current FY |                               |         |                      |         | FY 2020-21 Previous Financial Year |                               |         |                      |         |
|-----------|-----------------------|-------------------------------|---------|----------------------|---------|------------------------------------|-------------------------------|---------|----------------------|---------|
|           | Total (A)             | On Health and Safety measures |         | On Skill upgradation |         | Total (D)                          | On Health and Safety measures |         | On Skill upgradation |         |
|           |                       | No. (B)                       | % (B/A) | No. (C)              | % (C/A) |                                    | No. (E)                       | % (E/D) | No. (F)              | % (F/D) |
| EMPLOYEES |                       |                               |         |                      |         |                                    |                               |         |                      |         |
| Male      | 441                   | 388                           | 88%     | 234                  | 53%     | 405                                | 401                           | 99%     | 110                  | 27%     |
| Female    | 3                     | 3                             | 100%    | 3                    | 100%    | 2                                  | 2                             | 100%    | 2                    | 100%    |
| Total     | 444                   | 391                           | 88%     | 237                  | 53%     | 407                                | 403                           | 99%     | 112                  | 28%     |
| WORKERS   |                       |                               |         |                      |         |                                    |                               |         |                      |         |
| Male      | 2637                  | 2221                          | 84%     | 378                  | 14%     | 2418                               | 2147                          | 89%     | 385                  | 16%     |
| Female    | 11                    | 8                             | 73%     | 0                    | 0%      | 11                                 | 9                             | 82%     | 0                    | 0%      |
| Total     | 2648                  | 2229                          | 84%     | 378                  | 14%     | 2429                               | 2156                          | 89%     | 385                  | 16%     |

**9. Details of performance and career development reviews of employees and worker:**

| Category  | FY 2021-22 (Current FY) |         |         | FY 2020-21 (Previous FY) |         |         |
|-----------|-------------------------|---------|---------|--------------------------|---------|---------|
|           | Total (A)               | No. (B) | % (B/A) | Total (C)                | No. (D) | % (D/C) |
| Employees |                         |         |         |                          |         |         |
| Male      | 434                     | 434     | 100%    | 373                      | 373     | 100%    |
| Female    | 2                       | 2       | 100%    | 3                        | 3       | 100%    |
| Total     | 436                     | 436     | 100%    | 376                      | 376     | 100%    |
| Workers   |                         |         |         |                          |         |         |
| Male      | 2637                    | 2637    | 100%    | 2418                     | 2418    | 100%    |
| Female    | 11                      | 11      | 100%    | 11                       | 11      | 100%    |
| Total     | 2648                    | 2648    | 100%    | 2429                     | 2429    | 100%    |

**10. Health and safety management system:**

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?  
Yes Occupational Health and Safety Management System IS 14489:2018, It covers entire manufacturing complex of all the Units
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?  
Yes, Daily plant round is done by Safety Officer and Camera Monitoring to find out the Unsafe Act/ Unsafe Condition to enhance the safety culture of the company. Ensure the providing and wearing of PPEs. Due diligence to identify work hazards and identification of repeated injuries also being done to develop counter measures.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)  
Yes the Company encourages the employees to report near miss incidents identified through various digital platforms which is analysed from a central repository. The employees who report highest number of instances are also felicitated for their efforts which acts as an incentive for our employees to report near miss incidents sighted





- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)  
Yes

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number                                                        | Category | FY 2021-22 Current Financial Year | FY 2020-21 Previous Financial Year |
|-------------------------------------------------------------------------------|----------|-----------------------------------|------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employee | 0                                 | 0                                  |
|                                                                               | Workers  | 0                                 | 0                                  |
| Total recordable work-related injuries                                        | Employee | 0                                 | 0                                  |
|                                                                               | Workers  | 0                                 | 0                                  |
| No. of fatalities                                                             | Employee | 0                                 | 0                                  |
|                                                                               | Workers  | 0                                 | 0                                  |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employee | 0                                 | 0                                  |
|                                                                               | Workers  | 0                                 | 0                                  |

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company has in place Safety, Health and Envioment Policy which is approved by Risk Management Committee and the Board of Directors. Following measures are taken to ensure safe and healthy environment-

- Checking of use of PPEs
- Display safety signages, boards to create the safety culture.
- Issue notices to employees and contractor workers for nonuse of PPEs.

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2021-22 (Current FY) |                                       |         | FY 2020-21 (Previous FY) |                                       |         |
|--------------------|-------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
|                    | Filed during the year   | Pending resolution at the end of year | Remarks | Filed during the year    | Pending resolution at the end of year | Remarks |
| Working Conditions | 3                       | 0                                     | -       | 0                        | 0                                     | -       |
| Health & Safety    | 4                       | 0                                     | -       | 2                        | 0                                     | -       |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| Health and safety practices | 100%                                                                                                  |
| Working Conditions          | 100%                                                                                                  |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

- a) Each employee entering the plant premises is imparted with Safety Induction Training.
- b) Permit To Work system is religiously followed by each sections of the Unit.
- c) Tool Box Talk (TBT) is imparted to the working crew by job supervisor/engineer prior to deployment of the workforce at work.
- d) A Safety Committee is formed with equal participation of workforce from executive as well as workmen. Along with their jobs they act as sectional safety members for improvement of safety culture and working conditions. Safety committee meeting is conducted on Quarterly basis.
- e) Regular training's are imparted to the working crew along with demonstration.
- f) Mock Drills are conducted at regular intervals to bring awareness as well to check the effectiveness of the existing emergency response.
- g) All lifting tools and tackles/ pressure vessels are tested and inspected by approved parties.
- h) All equipment's / portable machineries are physically inspected prior to use.
- i) Joint Walkthroughs (participation of representatives from each department) are also conducted from time to time.
- j) It is ensured that the welding machines are in good condition by providing related trainings for safe operation through OJT and posters.
- k) Bagasse , Coal and Rectified Spirit /Ethanol fire is the major safety related incident in the plant.
- l) We have provided the fire hydrant system and fire extinguishers in the plant to mitigate the fire hazard.
- m) Fire drills /Mock drills are conducted

- n) Continuous trainings are conducted on fire fighting, first aid and Safety related topics.
- o) Changing of old rusted plate forms.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

**(A) Employees (Y/N)**

Yes. DBSIL covers life insurance or any compensatory package in the event of death of employees and workers.

**(B) Workers (Y/N)**

Yes. DBSIL covers life insurance or any compensatory package in the event of death of employees and workers.

Hospitalization Insurance mitigates financial burden in case of hospitalization of the Employee or his/her dependents and covers all the employees who are on employment (permanent) rolls of the Company. The family floater insurance coverage is as per the designations and the premium amount is to be borne by the employee for self and the declared dependents.

Further, all employees are covered under a Group level accident

Insurance scheme as part of Company's effort to safeguard the future of its employees and their family members in the unfortunate event of a mishap. It covers all executive members' claim in cases of permanent Total Disablement, Permanent Partial Disablement, Temporary Total Disablement, Death, Carriage of Dead body.

To cater to unforeseen circumstances in an employee's life, like early death and debilitating diseases that are not covered by regular policies of personal accident insurance and medical-claim etc. all employees are covered under Life Insurance guideline and the benefit is in the form of monetary relief to the nominee of the participant in case of death.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Specific contractual obligations with respect to deduction and deposit of statutory dues by value chain partners are provided for such adherence. Also, regular cross checks of documents are conducted.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

|           | Total no. of affected employees / workers |                          | No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |                          |
|-----------|-------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|           | FY 2021-22 (Current FY)                   | FY 2020-21 (Previous FY) | FY 2021-22 (Current FY)                                                                                                                             | FY 2020-21 (Previous FY) |
| Employees | 0                                         | 0                        | 0                                                                                                                                                   | 0                        |
| Workers   | 0                                         | 0                        | 0                                                                                                                                                   | 0                        |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---------------------------------------------------------------------------------------------|
| Health and safety practices | Not Available                                                                               |
| Working conditions          | Not Available                                                                               |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

None

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

**1. Describe the process for identifying key stakeholder groups of the entity.**

Engaging and collaborating with stakeholders is key for developing the business strategy. To build a meaningful and transparent relationship, we engage with our stakeholders to form long-term relationships based on trust and a willingness to collaborate. We define our stakeholders as individuals, groups, or organizations who have a material influence on or are materially influenced by the way we perform our activities. At DBSIL, we engage with our stakeholders periodically through various channels and proactively communicate relevant information to our stakeholders through multiple channels such as meetings, annual report, CSR report, sustainability report, press releases, etc. We strive to ensure that it is a two-way communication process. Feedback from our stakeholders is welcome so that



we can learn how we as a company can improve. The following table mentions different modes through which we engage with our stakeholders and concerns discussed with them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group                | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other                                                                                                                                 | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement                                                                                                                                                                                                                                                                                          |
|----------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investor                         | No                                                             | Quarterly financial reports , Annual general meeting, Press releases, Website, Stock Exchanges, Advertisement, Emails, Annual Reports                                                                                                                         | Quarterly                                                                            | Purpose & Scope - For stakeholders to know the financial standing of the company; Scope - Majorly finance, including any new developments like expansions, new product launches, new markets, etc.<br>Concerns - Transmission of shares; IPF Matters                                                                                                                                     |
| Industrial association           | No                                                             | Tie ups with industrial association through membership and being part of various committees and active participation                                                                                                                                          | Annual                                                                               | Purpose & Scope - Coordination for sugar industry; advocacy to create a common platform for conducive Govt Policy owing to the nature of sugar industry in India<br>Concerns - Changing Govt policies ; excess crop conditions.                                                                                                                                                          |
| Community                        | No                                                             | CSR Reports , meetings, pamphlets, websites, SMSs, lectures,                                                                                                                                                                                                  | All year round                                                                       | Purpose & Scope - social licence to operate, inclusive growth, community participation, about community priority and strategy Concerns - growth and development related concerns.                                                                                                                                                                                                        |
| Supplier                         | No                                                             | Farmers - SMS, Meetings, Notice Boards, IT enabled Apps, Websites, Roadshows, Display Boards, Announcements                                                                                                                                                   | All year round                                                                       | Farmers<br>Purpose & Scope - Business continuity, To enhance the awareness on best agricultural practices, Education on new techniques and varieties for the sustainability of the cane crop; water harvesting techniques; Automatic payment systems<br>Concerns - Ensure better crops and how to save the crops from pests and animals, reduce the cut to crush time<br>Other Suppliers |
| Customers                        | No                                                             | B2C - Email nos. and phone nos on products; Advertisement of products on various mediums<br>B2B - Emails, Phone No. on bag of products, Regular interaction through meetings, Suppliers Meet<br>Regular feedback from customers, Customer satisfaction survey | All year round                                                                       | B2C<br>Purpose & Scope - Pricing Strategy, Quality of Product, Product Certification, loyalty and trust, feedback<br>B2B<br>Purpose & Scope - To increase the institutional sales, better product development, To take customer feedback on existing supplies<br>Concerns - Price Volatility, Govt Policies, progress of sugarcane crop, global scenario of sugar, product quality       |
| Government and regulatory bodies | No                                                             | Regulatory Compliance - Through ISMA, All India Distillery Associations (AIDA)                                                                                                                                                                                | All year round                                                                       | Purpose & Scope - Coordination for sugar industry; advocacy to create a common platform for conducive Govt Policy owing to the nature of sugar industry in India<br>Concerns - Chnaging Govt policies ; excess crop conditions, Compliance to laws & regulations, advocacy.                                                                                                              |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement                                                                                                                                                                                          |
|-------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees         | No                                                             | Emails; Floor visits, Morning meetings, Helpdesk options on Employee portals;                                                 | All year round                                                                       | Purpose & Scope - Trust and loyalty, Work life balance, employee retention; query handling, reduce bottlenecks for employee efficiency, to enhance employee engagement<br>Concerns - Payroll, leaves related concern, Self-Development related concerns, complaints, performance related |
| Competitor        | No                                                             | Analysis of best practices adopted by peers                                                                                   | All year round                                                                       | Sector performance of peers, Healthy competition                                                                                                                                                                                                                                         |
| Media             | No                                                             | B2C - Launch of Products                                                                                                      | On Need Basis                                                                        | Transparency in company communication, Regular Interactions                                                                                                                                                                                                                              |

#### LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

In this rapidly changing environment, we are adapting and responding to the issues that matter most to our stakeholders and our business. We are constantly working on understanding these issues as they help us define our strategic priorities and report on the issues that are of most interest to our stakeholders. To identify and subsequently validate the material issues, we first create a bucket list of potential material aspects by analyzing the material issues of peer companies, the Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI). Furthermore, we engage with different stakeholder groups to understand their views and concerns on the identified material issues. It help us in defining these material aspects and fabricating a path for long-term value. Furthermore, through this assessment, the material elements are shortlisted, prioritized, and grouped under four pillars: Empowering People, Responsible Consumption, Responsible Growth, and Business Ethics, and Sustainable Business Practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. One of our major stakeholder are the sugarcane farmers. Their main concern is soil health and water conservation. We thus initiated a project on Soil Health, including soil analysis to understand the organic carbon content and other nutrient factors and work towards maintaining soil health. A similar project is being implemented on water harvesting and conservation.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company carries out development activities and provides necessary guidance to the small and marginalized cane growers with regards to selection of the right variety of propagation materials, agri-inputs and agronomical practices, supports in setting-up farm yard manure units, vermicomposting units, provides solar operated sprayers among others. The promotion of energy-efficient cooking methods and the installation of solar lighting has particularly benefited the women and children of the communities. Women Self Help Groups are promoted and skills development training sessions (stitching and weaving, Moonj craft, among others) are conducted to create additional avenues of income generation for them. Also maternal, neonatal and adolescent health camps are run periodically. For children, many school intervention programmes have been implemented and remedial education centers have been established. The construction of individual sanitary latrines in line with 'Swachh Bharat Abhiyaan' and 'Swachh Vidyalaya Abhiyaan' have also benefitted the local community. Skill training centers (ITI and DIKSHA) are being run to ensure skill development and enhancing the employability of the local youth.

#### Principle 5: Businesses should respect and promote human rights

##### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category         | FY 2021-22 Current Financial Year |                                        |           | FY 2020-21 Previous Financial Year |                                        |           |
|------------------|-----------------------------------|----------------------------------------|-----------|------------------------------------|----------------------------------------|-----------|
|                  | Total (A)                         | No. of employees / workers covered (B) | % (B / A) | Total (C)                          | No. of employees / workers covered (D) | % (D / C) |
| <b>Employees</b> |                                   |                                        |           |                                    |                                        |           |
| Permanent        | 444                               | 442                                    | 100%      | 407                                | 407                                    | 100%      |





| Category               | FY 2021-22 Current Financial Year |                                        |             | FY 2020-21 Previous Financial Year |                                        |             |
|------------------------|-----------------------------------|----------------------------------------|-------------|------------------------------------|----------------------------------------|-------------|
|                        | Total (A)                         | No. of employees / workers covered (B) | % (B / A)   | Total (C)                          | No. of employees / workers covered (D) | % (D / C)   |
| Other than permanent   | 0                                 | 0                                      | 0           | 0                                  | 0                                      | 0           |
| <b>Total Employees</b> | <b>444</b>                        | <b>442</b>                             | <b>100%</b> | <b>407</b>                         | <b>407</b>                             | <b>100%</b> |
| <b>Workers</b>         |                                   |                                        |             |                                    |                                        |             |
| Permanent              | 1696                              | 1696                                   | 100%        | 1647                               | 1647                                   | 100%        |
| Other than permanent   | 952                               | 952                                    | 100%        | 883                                | 883                                    | 100%        |
| <b>Total Workers</b>   | <b>2648</b>                       | <b>2648</b>                            | <b>100%</b> | <b>2530</b>                        | <b>2530</b>                            | <b>100%</b> |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category             | FY 2021-22 Current Financial Year |                       |           |                        |           | FY 2020-21 Previous Financial Year |                       |           |                        |           |
|----------------------|-----------------------------------|-----------------------|-----------|------------------------|-----------|------------------------------------|-----------------------|-----------|------------------------|-----------|
|                      | Total (A)                         | Equal to Minimum Wage |           | More than Minimum Wage |           | Total (D)                          | Equal to Minimum Wage |           | More than Minimum Wage |           |
|                      |                                   | No. (B)               | % (B / A) | No. (C)                | % (C / A) |                                    | No. (E)               | % (E / D) | No. (F)                | % (F / D) |
| Employees            |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Permanent            |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Male                 | 441                               | 0                     | 0         | 441                    | 100%      | 374                                | 0                     | 0%        | 374                    | 100%      |
| Female               | 3                                 | 0                     | 0         | 3                      | 100%      | 4                                  | 0                     | 0%        | 4                      | 100%      |
| Other than Permanent |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Male                 | 0                                 | 0                     | 0         | 0                      | 0         | 0                                  | 0                     | 0         | 0                      | 0         |
| Female               | 0                                 | 0                     | 0         | 0                      | 0         | 0                                  | 0                     | 0         | 0                      | 0         |
| Workers              |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Permanent            |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Male                 | 1689                              | 0                     | 0         | 1689                   | 100%      | 1642                               | 0                     | 0%        | 1642                   | 100%      |
| Female               | 7                                 | 0                     | 0         | 7                      | 100%      | 8                                  | 0                     | 0%        | 8                      | 100%      |
| Other than Permanent |                                   |                       |           |                        |           |                                    |                       |           |                        |           |
| Male                 | 948                               | 67                    | 7%        | 881                    | 93%       | 906                                | 61                    | 7%        | 845                    | 93%       |
| Female               | 4                                 | 0                     | 0         | 4                      | 100%      | 4                                  | 0                     | 0%        | 4                      | 100%      |

3. Details of remuneration/salary/wages, in the following format:

|                                  | Male   |                                                                | Female |                                                                |
|----------------------------------|--------|----------------------------------------------------------------|--------|----------------------------------------------------------------|
|                                  | Number | Median remuneration/ salary/ wages of respective category (PA) | Number | Median remuneration/ salary/ wages of respective category (PA) |
| Board of Directors (BoD)         | 5      | 3,55,14,763                                                    | 1      | 16,20,000                                                      |
| Key Managerial Personnel         | 1      | 1,18,65,521                                                    | 1      | 10,68,096                                                      |
| Employees other than BoD and KMP | 440    | 8,00,004                                                       | 2      | 8,41,582                                                       |
| Workers                          | 1689   | 3,17,244                                                       | 7      | 3,10,310                                                       |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. At DBSIL we have Whistle Blower Policy which addresses this concern. We respect human beings first and thus promote human rights of all our stakeholders within and beyond the boundaries of our business operations. We believe that respectful and productive business dealings can only be achieved through strong organizational values. We avoid complicity with human rights abuse by third parties as well. We are committed to ensuring that all are treated with dignity and respect. We have safety committees and work committees at plants, Internal Complaints Committee under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013. We work proactively with our suppliers and other stakeholders within the value chain to ensure that they are aware of and respect the rights of the individuals and communities that we operate in. We neither engage in nor support forced labour and it is ensured that all talents work voluntarily. The terms and conditions relating to the engagement are communicated prior to acquisition. As an act to reinforce our commitment towards human rights at the operational level, regular inspections are held at the plant level to ensure non engagement of child labour. To ensure the same, contractual talents are screened and suppliers are encouraged to practice non tolerance towards child labour.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At DBSIL we have Safety committee, works committee, Whistle Blower Policy, POSH and Ethics Helpline to ensure redressal of grievances related to human rights. The human relations and the legal & compliance department, in collaboration with other functions, ensures that the human rights are upheld and reinforced from time to time at the operational level. The Company has formulated Whistle Blower Policy and Vigil Mechanism and same is approved by the Board of Directors with a view to provide a mechanism for stakeholders to raise any concerns. The said policy is posted on the Company's website. Complaints could be filed through third party managed Ethics Helpline, which allows stakeholders to report issues on human rights violations. No person is denied access to the Audit Committee.

6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2021-22 Current Financial Year |                                       |         | FY 2020-21 Previous Financial Year |                                       |         |
|-----------------------------------|-----------------------------------|---------------------------------------|---------|------------------------------------|---------------------------------------|---------|
|                                   | Filed during the year             | Pending resolution at the end of year | Remarks | Filed during the year              | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 0                                 | 0                                     |         | 0                                  | 0                                     |         |
| Discrimination at workplace       | 1                                 | 0                                     |         | 1                                  | 0                                     |         |
| Child Labor                       | 0                                 | 0                                     |         | 0                                  | 0                                     |         |
| Forced Labour/Involuntary Labour  | 0                                 | 0                                     |         | 0                                  | 0                                     |         |
| Wages                             | 0                                 | 0                                     |         | 0                                  | 0                                     |         |
| Other human rights related issues | 6                                 | 0                                     |         | 1                                  | 0                                     |         |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

**Whistle Blower details circulated across the locations:** To provide a platform to all stakeholders to voice genuine concerns about any breach of the CoC or company's guidelines or values. The platform shall ensure that all complaints are heard, recorded and registered with the ethics committee for further action with transparency and confidentiality so that it improves confidence in the organisation and also acts as a deterrent against deviations from guidelines, values and the DNA. The whistle blowing is recorded through an independent third party monitored 'Ethics help line

**Anti-Sexual Harassment Guideline Objective:** To ensure a work environment where employees can work free from any form of sexual harassment and all stakeholders are treated with dignity and mutual respect. To also ensure that any such harassment can be aired to a complaints panel which will take prompt action to restore the faith of the stakeholder in the organisation. These guidelines will come into effect from 1/1/2014. The Anti-Sexual Harassment Guidelines is extended to all employees in the rolls of the company including- full time employees, temporary & part time employees, honorary employees and those engaged on a casual or project basis even through a contractor. The Guidelines will be applicable to all allegations of Sexual Harassment made by an Employee / third party or against an Employee / third party, irrespective of whether Sexual Harassment is alleged to have taken place within or outside the Company premises.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company has strict guidelines on human rights issues in all external contracts. In addition, internal control mechanisms exist to ensure human rights due diligence. All contracts are monitored constantly for compliance to guidelines.

9. Assessment for the year

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| Child labour                | 60                                                                                                    |
| Forced/involuntary labour   | 60                                                                                                    |
| Sexual harassment           | 60                                                                                                    |
| Discrimination at workplace | 60                                                                                                    |
| Wages                       | 60                                                                                                    |
| Others- Please Specify      | -                                                                                                     |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

The Company ensures proper screening of potential suppliers and partners to make sure that there are no individuals below 18 years of age and/or forced/involuntary are engaged. Our contracts with value chain partners prohibit employment of child labour and force/involuntary labour. With regards to sexual harassment we have internal complaint committee and all other concerns including inter-alia



with respect to discrimination, concerns can be raised as per Whistle Blower Policy in anonymity through a third party helpline. The Company strives to be a discrimination free Company and does not allow discrimination and harassment based on religion, gender, caste, disability, nationality, sexual orientation, race and age. It is also ensured that all employees and permanent workers are paid more than minimum wage requirements. In addition, it is also expected that all value chain partners uphold these principles and include guidelines on human rights in the contracts. However, in view of existing policies/guidelines to safeguard human rights, no further corrective actions were required to be taken pursuant to assessments.

#### LEADERSHIP INDICATORS

##### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No business process was required to be modified

##### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

DBSIL is one of the most respected sugar manufacturers in the Country on account of its consistent investment in integrity, safety, health and environment. These attributes have been validated by certifications like Occupational Health and Safety Management (OHSAS), Environment Management System (EMS), Bonsucro and Food, Safety and Quality (FSQ).

As a member of the Bonsucro Production Standard (voluntary global sustainability standard for sugarcane), the Company follows seven principles: Obey the law, respect human rights and labour standards, manage efficiency to improve sustainability, manage bio-diversity and the ecosystem, continuously improve the organisation of farmers, adhere to European Union directives and the organisation of farmers.

##### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

##### 4. Details on assessment of value chain partners:

|                             | % of value chain partners (by value of business done with such partners) that were assessed                                        |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Child labour                | The premises/office locations of the value chain partners have not been assessed.                                                  |
| Forced/involuntary labour   |                                                                                                                                    |
| Sexual harassment           | However, all contracts with value chain partners having strict guidelines on human rights are monitored constantly for compliance. |
| Discrimination at workplace |                                                                                                                                    |
| Wages                       |                                                                                                                                    |
| Others- Please Specify      |                                                                                                                                    |

##### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

#### Principle 6: Businesses should respect and make efforts to protect and restore the environment

#### ESSENTIAL INDICATORS

##### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter                                                                             | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|---------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| Total electricity consumption (A) in (million unit)                                   | 197                               | 189                                |
| Total fuel consumption (B) in MT                                                      | 1471534                           | 1435622                            |
| Bagasse                                                                               | 1280194                           | 1211473                            |
| Coal                                                                                  | 17532                             | 36854                              |
| Industrial Waste concentrated spent wash                                              | 173808                            | 187295                             |
| Energy consumption through other sources (C) Steam in Million KJ                      | 8053310                           | 8302041                            |
| <b>Total energy consumption in Million KJ (A+B+C)</b>                                 | <b>8871537</b>                    | <b>9104885</b>                     |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 0.00029                           | 0.00033                            |
| Energy intensity (optional) - the relevant metric may be selected by the entity       | -                                 | -                                  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done.

##### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not Applicable

##### 3. Provide details of the following disclosures related to water, in the following format:

| Parameter                                                                      | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|--------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                              |                                   |                                    |
| (i) Surface water                                                              | 352368                            | 395909                             |
| (ii) Groundwater                                                               | 1181141                           | 1189332                            |
| (iii) Third party water                                                        | 0                                 | 0                                  |
| (iv) Seawater / desalinated water                                              | 0                                 | 0                                  |
| (v) Others                                                                     | 0                                 | 0                                  |
| <b>Total volume of water withdrawal (in litres) (i + ii + iii + iv + v)</b>    | <b>1533509000</b>                 | <b>1585241000</b>                  |
| Total volume of water consumption (in kilolitres)                              | 1533509000                        | 1585241000                         |
| Water intensity per rupee of turnover (Water consumed / turnover)              | 0.050                             | 0.059                              |
| Water intensity (optional) - the relevant metric may be selected by the entity | -                                 | -                                  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

##### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

DBSIL has implemented zero liquid discharge scheme across its entire locations. The Company has invested in best-in class effluent treatment plants to achieve zero liquid discharge status across all plants. The Company has embarked on initiatives to minimize water consumption. We use treated water for green belt development within our plants, supply to farmers and reuse the condensate water in the process, cooling applications and green belt development. We recognise the importance of watershed and water harvesting practices and save significant amounts of water in and around our plants through such initiatives. In Maharashtra and Uttar Pradesh, we implemented various water conservation initiatives and constructed several village ponds near our plants to increase the availability of fresh water for the local community. The Company encourages the use of drip irrigation and brought several acres of land under it at Jawaharpur, Nigohi and Ramgarh. The Company has sustained near-zero water consumption in sugar cane processing with improvements to use recycle water.

##### 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                           | Please specify unit | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-------------------------------------|---------------------|-----------------------------------|------------------------------------|
| NOx                                 |                     | 0                                 | 0                                  |
| Sox                                 |                     | 0                                 | 0                                  |
| Particulate matter (PM)             | MT                  | 408                               | 465                                |
| Persistent organic pollutants (POP) |                     | 0                                 | 0                                  |
| Volatile organic compounds (VOC)    |                     | 0                                 | 0                                  |
| Hazardous air pollutants (HAP)      |                     | 0                                 | 0                                  |
| Others - please specify             |                     | 0                                 | 0                                  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

##### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter                                                                                                                                                                    | Unit                                        | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------|------------------------------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 129499                            | 168435                             |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 640                               | 2397                               |





| Parameter                                                                                                   | Unit | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-------------------------------------------------------------------------------------------------------------|------|-----------------------------------|------------------------------------|
| Total Scope 1 and Scope 2 emissions per rupee of turnover(MT/lacs)                                          |      | 0.000004312                       | 0.000006361                        |
| Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity |      | -                                 | -                                  |

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The Company has undertaken various energy saving initiatives that reduce energy consumption and moderate emissions. Bagasse, a by-product of sugar production, is utilised in our cogeneration plants to produce 'green power'. We have invested in five co-generation plants (119 MW) that address our energy requirements and generate surplus power marketed to the state electricity grid. Presently, about 60% of the total power generated is supplied to the grid in Uttar Pradesh and Maharashtra. DBSIL is committed to progressively reduce greenhouse gas (GHG) emissions by identifying significant emission sources. The Company operates a 17 MW wind farm in Tamil Nadu. The Company consumes 100% renewable energy; it implemented solar based water pumping systems in farms.

The following projects of DBSIL are registered under UNFCCC-CDM which are related to reduction in GHG Emissions:

- Dalmia Chinni Mills Nigohi.
- Dalmia Chinni Mills Jawaharpur
- Ramgarh Chinni Mills

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter                                                                                                                           |  | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------|------------------------------------|
| <b>Total Waste generated (in metric tonnes)</b>                                                                                     |  |                                   |                                    |
| Plastic waste (A)                                                                                                                   |  | 214                               | 173                                |
| E-waste (B)                                                                                                                         |  | 2                                 | 0.4                                |
| Bio-medical waste (C)                                                                                                               |  | 0                                 | 0                                  |
| Construction and demolition waste (D)                                                                                               |  | 0                                 | 0                                  |
| Battery waste (E)                                                                                                                   |  | 0                                 | 0                                  |
| Radioactive waste (F)                                                                                                               |  | 0                                 | 0                                  |
| Other Hazardous waste. Please specify, if any. (G) Spent wash                                                                       |  | 173808                            | 187295                             |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) |  |                                   |                                    |
| Bagasse for internal consumption                                                                                                    |  | 13894231                          | 13760122                           |
| Ash to farmer                                                                                                                       |  | 16,790                            | 18172                              |
| Total (A+B + C + D + E + F + G + H)                                                                                                 |  | 14085045                          | 13965762                           |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of waste               |                 | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|---------------------------------|-----------------|-----------------------------------|------------------------------------|
| (i) Recycled                    | Lubrication Oil | 1.3                               | 11                                 |
| (ii) Re-used                    | Bagasse         | 1280194                           | 1211473                            |
|                                 | Slop            | 173808                            | 187295                             |
| (iii) Other recovery operations |                 | 0                                 | 0                                  |
| <b>Total</b>                    |                 | <b>1454003</b>                    | <b>1398779</b>                     |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste: Ash, Concentrated Spent Wash, Bio Gas, Sludge (Manure)

| Category of waste |                                                      | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-------------------|------------------------------------------------------|-----------------------------------|------------------------------------|
| Incineration ASH  | Given to farmers as rich potash manure               | 27,973                            | 18049                              |
| Cogen Ash         | Used as Fly ash bricks manufacturing and Landfilling | 16,790                            | 18172                              |
| Sludge(manure)    | Given to farmers as a rich manure                    | 165                               | 57                                 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Our environment component ensures that we consume environmentally responsible resources, utilise an optimal quantum of finite fossil fuels, recycle waste, moderate our carbon footprint and build resistance to climate change.

We ensure that raw material is efficiently converted into products. Our distilleries and co-generation business units generate additional revenue while adding value to by-products from the sugar production process. We ensure bio-composting at our distilleries from the waste generated after juice extraction from sugarcane. This bio-compost is a soil-friendly manure provided to farmers. Press-mud is converted to compost and sold to farmers for agricultural purposes. The hazardous waste generated at our plants is disposed in accordance with statutory requirements. Non-hazardous waste consists of polypropylene bags used in packaging and plastic containers, disposed through authorised recyclers.

There are multiple waste management strategies adopted at DBSIL to ensure the waste is being managed adequately. Following are the practices adopted at DBSIL-

**Zero Liquid Discharge-**

- 100 % treatment of effluent as per statutory requirement
- Maximum recycling
- 90% reduction in ground water widrawl per ton of product
- 100% reuse

**Zero Waste Approach-**

- Reduction in packaging material
- Bulk transportation wherever feasible
- Compliance of EPR

**Waste to Wealth-**

- Creating various project for waste conversion into usable product like; Ash brick, Bio manure and generation of bio CNG
- Rich potash based manure generated and distributed amongs the farmers.

**Change in process-**

- Please refer annexure in IR

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| Sl. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---------|--------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
|---------|--------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|

Not applicable as the entity has no operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required



11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project                                                      | EIA Notification No.                | Date                                    | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link                                                                                                             |
|----------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 200 KLPD Grain based Distillery for Ethanol along with 10 MW Co-generation power plant | S.O. 2339(E) dated 16th June, 2021  | 09.08.2021                              | Yes                                                         | Yes                                              | <a href="http://environment-clearance.nic.in/searchproposal.aspx">http://environment-clearance.nic.in/searchproposal.aspx</a> |
| Expansion of Distillery from 75 KLPD to 120 KLPD                                       | S.O. 980 (E) dated 02nd March, 2021 | 05.06.2021                              | Yes                                                         | Yes                                              | <a href="http://environment-clearance.nic.in/searchproposal.aspx">http://environment-clearance.nic.in/searchproposal.aspx</a> |
| Proposed 120 KLPD Molasses based Distillery along with 7.0 MW cogeneration power plant | S.O.804(E) dated 14.03.2017         | Date of Submission for EC : 20 Oct 2020 | Yes                                                         | Yes                                              | <a href="http://environment-clearance.nic.in/searchproposal.aspx">http://environment-clearance.nic.in/searchproposal.aspx</a> |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| Sl. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the noncompliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---------|-----------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|
|---------|-----------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|

It is applicable and all such acts are complied as per law

#### LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter                                                                     | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| <b>From renewable sources</b>                                                 |                                   |                                    |
| Total electricity consumption (A)                                             | 197                               | 189                                |
| Total fuel consumption (B)                                                    | 1454002                           | 1398768                            |
| Energy consumption through other sources (C) Steam in Million KJ              | 8053310                           | 8302041                            |
| <b>Total energy consumed from renewable sources in Million KJ (A+B+C)</b>     | <b>8871537</b>                    | <b>9104885</b>                     |
| <b>From non-renewable sources</b>                                             |                                   |                                    |
| Total electricity consumption (D)                                             | 8                                 | 12                                 |
| Total fuel consumption (E)                                                    | 0                                 | 0                                  |
| Energy consumption through other sources (F)                                  | 0                                 | 0                                  |
| <b>Total energy consumed from non-renewable sources in Million KJ (D+E+F)</b> | <b>1666</b>                       | <b>2386</b>                        |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment /evaluation/assurance has been carried out by Ernst & Young

2. Provide the following details related to water discharged:

| Parameter                                                                    | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                                   |                                    |
| (i) To Surface water                                                         |                                   |                                    |
| - No treatment                                                               | 0                                 | 0                                  |
| - With treatment - please specify level of treatment to farmers              | 0                                 | 0                                  |

| Parameter                                                                                          | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|----------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| (ii) To Groundwater                                                                                |                                   |                                    |
| - No treatment                                                                                     | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                                               | 0                                 | 0                                  |
| (iii) To Seawater                                                                                  |                                   |                                    |
| - No treatment                                                                                     | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                                               | 0                                 | 0                                  |
| (iv) Sent to third-parties                                                                         |                                   |                                    |
| - No treatment                                                                                     | 0                                 | 0                                  |
| With treatment - primary, secondary and tertiary treatment as per Moef notification and guidelines | 1135342                           | 801910                             |
| (v) Others                                                                                         |                                   |                                    |
| - No treatment                                                                                     | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                                               | 773210                            | 333199                             |
| <b>Total water discharged (in kilolitres)</b>                                                      | <b>1908552</b>                    | <b>1135109</b>                     |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment /evaluation/assurance has been carried out by Ernst & Young

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

|                                                                            |   |
|----------------------------------------------------------------------------|---|
| (i) Name of the area                                                       | 0 |
| (ii) Nature of operations                                                  | 0 |
| (iii) Water withdrawal, consumption and discharge in the following format: | 0 |

| Parameter                                                                      | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|--------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>   |                                   |                                    |
| Water withdrawal by source (in kilolitres)                                     |                                   |                                    |
| (i) Surface water                                                              | 0                                 | 0                                  |
| (ii) Groundwater                                                               | 0                                 | 0                                  |
| (iii) Third party water                                                        | 0                                 | 0                                  |
| (iv) Seawater / desalinated water                                              | 0                                 | 0                                  |
| (v) Others                                                                     | 0                                 | 0                                  |
| <b>Total volume of water withdrawal (in kilolitres)</b>                        | <b>0</b>                          | <b>0</b>                           |
| <b>Total volume of water consumption (in kilolitres)</b>                       | <b>0</b>                          | <b>0</b>                           |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>       | <b>0</b>                          | <b>0</b>                           |
| Water intensity (optional) - the relevant metric may be selected by the entity | -                                 | -                                  |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>   |                                   |                                    |
| (i) Into Surface water                                                         |                                   |                                    |
| - No treatment                                                                 | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                           | 0                                 | 0                                  |
| (ii) Into Groundwater                                                          |                                   |                                    |
| - No treatment                                                                 | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                           | 0                                 | 0                                  |
| (iii) Into Seawater                                                            |                                   |                                    |
| - No treatment                                                                 | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                           | 0                                 | 0                                  |
| (iv) Sent to third-parties                                                     |                                   |                                    |
| - No treatment                                                                 | 0                                 | 0                                  |
| - With treatment - please specify level of treatment                           | 0                                 | 0                                  |





| Parameter                                            | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|------------------------------------------------------|-----------------------------------|------------------------------------|
| (v) Others                                           |                                   |                                    |
| - No treatment                                       | 0                                 | 0                                  |
| - With treatment - please specify level of treatment | 0                                 | 0                                  |
| Total water discharged (in kilolitres)               | 0                                 | 0                                  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter                                                                                                                                                             | Unit                                        | FY 21-22 (Current Financial Year) | FY 20-21 (Previous Financial Year) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------|------------------------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 0                                 | 0                                  |
| Total Scope 3 emissions per rupee of turnover                                                                                                                         |                                             | 0                                 | 0                                  |
| Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity                                                                       |                                             | 0                                 | 0                                  |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Since there are no operations of DBSIL in the ecologically sensitive areas reported at Question 10 of Essential Indicators, this is not applicable to DBSIL.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

The Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. At the captive power plants, bagasse is used as fuel for generating power. At the distillery, spent-wash is mixed with bagasse and used as fuel in boilers to generate clean energy through the incineration process in a bid to minimise the carbon footprint. Also, the Company has wind power plant in district of Kanyakumari, Tamil Nadu.

| Sl. No. | Initiative undertaken                                        | Details of the initiative (Web-link, if any, may be provided along-with summary)                                                  | Outcome of the initiative                                                                     |
|---------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| 1       | Installation of CPU                                          | Complete treatment and reutilization of industrial effluent                                                                       | Maximum reuse, ground water widrawl reduction around 1000m <sup>3</sup> /day at peak capacity |
| 2       | Installation of STP                                          | Complete treatment and reutilization of domestic effluent                                                                         | Maximum reuse, around 100m <sup>3</sup> /day water saved.                                     |
| 3       | Installation of bag filter                                   | To reduce PARTICULAR MATTER from chimney                                                                                          | Reduction in emission from 100 mg/Nm <sup>3</sup> to 50 mg/Nm <sup>3</sup>                    |
| 4       | Change in process                                            | To reduce steam requirment in process                                                                                             | Reduction in steam consumption by 2% on per ton of cane crush                                 |
| 5       | Replacement of condensing turbine with back pressure turbine | Steam saving without addition in boiler capacity which is required otherwise to install 20MT additional steam generation capacity | Saved installation of new steam generation plant of 20MT                                      |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

All units of the Company have onsite-emergency plan with disaster management plan. The plan is targeted to contain the incident, minimize casualties and prevent further injuries, migratory measures, quick and streamlined relief and rescue operation without unnecessary delay, speed up restoration of normalcy and ensure each member of the emergency operation including response team and employees are aware of their role in emergency. Also, all the units have factory licence and other necessary approvals to operate business.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not applicable

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

- a. Number of affiliations with trade and industry chambers/ associations.  
Thirteen (13)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sl. No. | Name of the trade and industry chambers / associations      | Reach of trade and industry chambers / associations (State / National)                              |
|---------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 1       | Indian Sugar Mills Association (ISMA)                       | National, <a href="https://www.indiansugar.com/">https://www.indiansugar.com/</a>                   |
| 2       | Uttar Pradesh Sugar Mills Association                       | State                                                                                               |
| 3       | West Indian Sugar Mills Association (WISMA)                 | Regional, <a href="https://wisma.in/">https://wisma.in/</a>                                         |
| 4       | Co-generation Association of India                          | National, <a href="http://www.cogenindia.org/">http://www.cogenindia.org/</a>                       |
| 5       | Federation of Indian Chambers of Commerce & Industry(FICCI) | National, <a href="https://ficci.in/">https://ficci.in/</a>                                         |
| 6       | The Sugar Technologists' Association of India(STAI)         | National, <a href="http://staionline.org/About_stai.aspx">http://staionline.org/About_stai.aspx</a> |
| 7       | Bonsucro                                                    | International                                                                                       |
| 8       | All India Distillers' Association                           | National                                                                                            |
| 9       | CII                                                         | National                                                                                            |
| 10      | Indian Chamber of Commerce                                  | National                                                                                            |
| 11      | UP Sugar Mills Co Gen Association                           | State                                                                                               |
| 12      | UP Distillery Association                                   | State                                                                                               |
| 13      | Indian Bio Gas Association                                  | National                                                                                            |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

| Name of authority                                                               | Brief of the case | Corrective action taken |
|---------------------------------------------------------------------------------|-------------------|-------------------------|
| Not Applicable as there have been no issues related to anti-competitive conduct |                   |                         |

**LEADERSHIP INDICATORS**

1. Details of public policy positions advocated by the entity:

| Sl. No.                                                                                                                                                                                         | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes / No) | Frequency of Review by Board (Annually / Half yearly / Quarterly / Others - please specify) | Web Link, if available |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------|
| The Company prefers to be a part of broader policy development process, taking into account the Company's, national and stakeholders' interests. However, it does not lobby any specific issue. |                         |                                   |                                                            |                                                                                             |                        |

DBSIL regularly interacts and is engaged with Government bodies, regulators, legislative bodies etc. DBSIL understands its responsibilities to operate within the democratic setup and constitutional framework.

DBSIL being one of leading manufacturer of sugar products in India, shall strive to be a part of most of the chambers and associations.

DBSIL makes recommendations /representations before Government bodies, regulators, legislative bodies, chambers and associations for advancement and improvement of sugar business in India. The representatives of the Company, upon invitation, participate and play active role on associations constituted for development and representation of sugar industries.

Company shall ensure constancy of its public communications, disclosures with the Code of Conduct and the principles as outline in the relevant regulatory framework.

The Company shall promote consensus, co-operations, compliances, persuasion, and meaningful discussions instead of conflict on policy and regulatory matters.

Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner.

**Principle 8: businesses should promote inclusive growth and equitable development****ESSENTIAL INDICATORS**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|-------------------------------------------------------------|--------------------------------------------------|-------------------|
| -                                 | -                    | -                    | -                                                           | -                                                | -                 |

In terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, needs to undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Such impact assessment reports needs to be placed before the Board and shall be annexed to the annual report on CSR.

Accordingly, impact assessment through independent agency is not applicable on the Company. However, we do internally undertake impact assessment of our initiatives and also take regular community feedback for our projects. We had recently engaged Ernst & Young for undertaking an impact assessment on a voluntary basis of our projects in livelihood through DIKSHa (Dalmia Institute for Skills and Knowledge Harnessing) centres and the climate action vertical on water related initiatives.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sl. No.        | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|----------------|------------------------------------------|-------|----------|-----------------------------------------|--------------------------|-----------------------------------------|
| Not Applicable |                                          |       |          |                                         |                          |                                         |

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms to receive and redress grievance of the community. In plants, we have complaint register. The communities also follow formal channel and informal channels through CSR teams, external stakeholder groups and many more.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

|                                                                      | FY 2021-22, Current Financial Year | FY 2020-21, Previous Financial Yea |
|----------------------------------------------------------------------|------------------------------------|------------------------------------|
| Directly sourced from MSMEs/ small producers                         | Approx. 90%                        | Approx. 90%                        |
| Sourced directly from within the district and neighbouring districts | Approx. 90%                        | Approx. 90%-                       |

All plants of the Company are proximate to the cane growing area. Almost all the raw materials are procured sustainably. Since the raw materials are procured from sources close to the units, it enables the Company to minimize transportation costs. A significant proportion of the cane is supplied by small and medium-scale farmers through bullock-driven carts due to the distance, reducing pollution.

The Company strives to procure materials and services from local suppliers. Majority of the sugarcane is purchased from local farmers (including small and medium scale-farmers) based in the units allotted to the respective areas by the Cane Commissioner. All transportation services and stationery items, printing materials, electrical goods, sanitizers and civil items are procured from local markets.

**LEADERSHIP INDICATORS**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|----------------------------------------------|-------------------------|
| Not Applicable                               |                         |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| Sl. No. | State | Aspirational District | Amount spent (In INR) |
|---------|-------|-----------------------|-----------------------|
| -       | -     | -                     | -                     |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| Sl. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---------|------------------------------------------------------|--------------------------|---------------------------|------------------------------------|
| -       | Not applicable                                       | -                        | -                         | -                                  |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of Authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| - Not applicable  | -                 | -                       |

6. Details of beneficiaries of CSR Projects:

| Sl. No. | CSR Project                                                                                                                                                                                                                                                                                                                               | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------|
| 1       | <b>Livelihood</b>                                                                                                                                                                                                                                                                                                                         |                                             |                                                            |
|         | 172 trainees (128 Sitapur Centre & 44 Shahjahanpur Centre) completed their skill training in Dalmia Institute of Knowledge and Skills Harnessing and 100% job has been offered. 150 are continuing with their training in Shahjahanpur and Sitapur Skill Training Centers.                                                                | 860                                         | 25                                                         |
|         | More than 140 moonj artisans under upskilling training organsied through Mon Ami Foundation                                                                                                                                                                                                                                               | 500                                         | 30                                                         |
|         | Under the ongoing sustainable sugarcane intensification project, 60 farmers underwent training on improved agricultural practises and were also taken on an exposure visit to sugarcane research institute.                                                                                                                               | 300                                         | 30                                                         |
|         | Under the Breed Improvement project 3503 Ais were performed (1554 of conventional semen and 1949 of sorted semen) across three artificial insemination in Uttar Pradesh covering 43 villages. 841 calves were born (626 through conventional semen and 215 through sorted semen) which included 473 female calves.                        | 9,540                                       | 30                                                         |
|         | Continue to work with 238 women self help groups across all 5 sugar location benefitting around 2586 marginalised women. And various self employment linked trainings were organised for the women self help groups.                                                                                                                      | 2,586                                       | 50                                                         |
| 2       | <b>Climate Action</b>                                                                                                                                                                                                                                                                                                                     |                                             |                                                            |
|         | 44 borewell recharge structures were constructed in UP Sugar locations creating an annual harvesting potential of 4.08 lakh kl annually.                                                                                                                                                                                                  | 300                                         | 25                                                         |
|         | Fencing of village pond was taken-up in Asurle Village, Kolhapur location                                                                                                                                                                                                                                                                 | 4,000                                       | 30                                                         |
|         | 550 Farmacyard manure pits and 507 vermicomposting unit were constructed in UP Sugar locations. FYM pits has the potential to generated 5500 tons of FYM which could be applied on 550 hectares of land and 507 vermicompost units has the potential to generate 507 tons of vermicompost which could be applied on 202 hectares of land. | 3,210                                       | 25                                                         |
|         | 12 solar street lights were installed across Kolhapur and Ninaidevi location benefitting 8 villages.                                                                                                                                                                                                                                      | 4,000                                       | 40                                                         |





| Sl. No. | CSR Project                                                                                                                                                                                  | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------|
|         | 350 Solar lanterns and 80 solar studys lamps were promoted across all 5 sugar locations in Uttar Pradesh and Maharashtra, creating an annual potential to evade 155 tons of co2 year-on-year | 1,750                                       | 40                                                         |
| 3       | <b>Social Infrastructure</b>                                                                                                                                                                 |                                             |                                                            |
|         | Digital education - 20 digital e learning centers have been set-up covering both Ninaidevi and Kolhapur location benefitting nearly 3800 school children.                                    | 3,800                                       | 40                                                         |
|         | 4 community hand pumps have been installed in Nigohi location benefitting around 2300 villagers.                                                                                             | 2,300                                       | 50                                                         |
|         | 2 anganwadi facelifting works were taken-up in Kotoli and Porel Tarf Thane villages.                                                                                                         | 160                                         | 20                                                         |
|         | 5 schools were taken-up under school painting project covering Kerle, Porle, Malunge, Kothwadi and Waghve                                                                                    | 2,500                                       | 40                                                         |
|         | Sports kits (wrestling) was provided to one school in Kotoli and supported one wrestling institute.                                                                                          | 1,045                                       | 30                                                         |
|         | School Compound Wall were consturcted in Kolhapur and Ninaidevi location covering 2 schools.                                                                                                 | 560                                         | 30                                                         |
|         | Educational kits were provided to 750 school children covering 40 schools across Kolhapur and Ninaidevi location.                                                                            | 750                                         | 100                                                        |
|         | Dobhi ghat was constructed in Kolhapur location.                                                                                                                                             | 1,000                                       | 100                                                        |
|         | Cementary was constructed in Ninanidevi location.                                                                                                                                            | 400                                         | 20                                                         |
|         | Common play ground development works were taken-up in Kolhapur location covering one village                                                                                                 | 5,000                                       | 25                                                         |
|         | 1040 kitchen gardens have been established across three locations in Uttar Pradesh, benefitting around 5200 villagers.                                                                       | 5,200                                       | 30                                                         |
|         | 2 Speciality health camps were conducted benefitting around 630 villagers                                                                                                                    | 630                                         | 20                                                         |
|         | Covid19 PPE were provided to frontline workers across all location                                                                                                                           | 5,000                                       | 30                                                         |
|         | <b>Total</b>                                                                                                                                                                                 | <b>55,391</b>                               | <b>860</b>                                                 |

**Principle 9: businesses should engage with and provide value to their consumers in a responsible manner****ESSENTIAL INDICATORS****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

- Raised by customer to company official like Sales Officer or Tech Service Engineer.
- Raised to the channel partner with whom the customer is dealing
- Directly from customer to co. helpline number
- By sending email or on company website.

The complaint is gathered from customer in specific format which captures all details of complaint including Date of receipt, Product type, Brand, Manufacturing date, Week no., Quantity supplied, Quantity used, Date of supply, Invoice no., Dealer details, Location, District name, Nature of complaint, application area, detailed explanation of complaint, assistance provided in the past like strength test or mix design, whether sample collected, Third party or plant testing requirement.

The Company has proper response mechanism for consumer complaints which begins from formal receipt of the complaint, attending the complaint within a stipulated time frame (around 48 hours), identifying root cause of the problem, sample testing done at plant or third-party facility if required, findings shared with customer and complaint brought to closure. There is also an escalation matrix in place for handling complaints.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

|                                                             |                                                                                                                                                                          |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | As a percentage to total turnover                                                                                                                                        |
| Environmental and social parameters relevant to the product | All necessary information as per regulatory requirements are disclosed on all our products. Information about FSSAI certification is disclosed on all packaged products. |
| Safe and responsible usage                                  |                                                                                                                                                                          |
| Recycling and/or safe disposal                              |                                                                                                                                                                          |

**3. Number of consumer complaints in respect of the following: Kapil Nema**

|                                | FY 2021-22<br>(Current Financial Year) |                                   | Remarks | FY 2020-21<br>(Previous Financial Year) |                                   | Remarks |
|--------------------------------|----------------------------------------|-----------------------------------|---------|-----------------------------------------|-----------------------------------|---------|
|                                | Received during the year               | Pending resolution at end of year |         | Received during the year                | Pending resolution at end of year |         |
| Data privacy                   | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Advertising                    | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Cyber-security                 | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Delivery of essential services | -                                      | -                                 | NIL     | -                                       | -                                 | -       |
| Restrictive Trade Practices    | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Unfair Trade Practices         | -                                      | -                                 | -       | -                                       | -                                 | -       |
| Other                          | -                                      | -                                 | -       | -                                       | -                                 | -       |

**4. Details of instances of product recalls on account of safety issues:**

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | None   | Not Applicable     |
| Forced recalls    | None   | Not Applicable     |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Enterprise Risk Management System read with Risk Management Policy has framework on cyber security and risks related to data privacy. We are working on robust data security architecture and reporting mechanism.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Since there are no complaints, there was no need for any corrective action. However, we always strive to ensure the best quality products are delivered to our customers and ensure all feedback from our stakeholders in considered in our business processes.

**LEADERSHIP INDICATORS****1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

www.dalmiasugar.com, -

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Some steps followed by the company to educate consumers about our products and its content are:

- There is QR code on the Dalmia Utsav Honey bottle labels, which gives the consumer to get the purity certificate of the product and the benefits of the product on the landing page
- On ground promotion activity for educating consumers
- Trade & consumer exhibitions to interact and educate consumers

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

We follow BIS regulations for the product packaging and information to be contained in the product packaging.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: - None
- b. Percentage of data breaches involving personally identifiable information of customers: -Not applicable



# Financial Statements

## INDEPENDENT AUDITOR’S REPORT

To  
the Members of  
**Dalmia Bharat Sugar and Industries Limited**

### Report on the audit of the standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of Dalmia Bharat Sugar and Industries Limited ("the Company"), which comprise the balance sheet as at March 31 2022, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ( hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive losses, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified

under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to the key audit matters to be communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(1) Litigations Matters &amp; Contingent liabilities (as described in note no.32 of the standalone financial statements)</b><br><br>The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.<br><br>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter. | <b>Principal Audit Procedures:</b> <ul style="list-style-type: none"><li>Assessing the procedures implemented by the company to identify and gather the risks it is exposed to.</li><li>Discussion with the management on the development in theses litigations during the year ended 31st March, 2022.</li><li>Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable.</li><li>Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/management.</li><li>Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li></ul> |





| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>(2) Determination of net realizable value of inventory of sugar as at the year ended March 31, 2022</b></p> <p>As on March 31, 2022, the Company has inventory of sugar with the carrying value Rs. 914.28 Crores. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p> <p>For details: - Refer Note No 8 &amp; 36 to the Financial Statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"><li>• We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li><li>• Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li><li>• We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li><li>• Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</li><li>• Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>(3) Calculation of deferred tax liability on the basis of dual rates.</b></p> <p>From the financial year commencing April 1, 2019, the Government of India Promulgated the Taxation Laws (Amendment) Ordinance, 2019 (enacted into Taxation Laws) (Amendment) Act, 2019) has introduced Section 115BAA of the Income Tax Act 1961 in which companies can opt for lower tax rate based on certain conditions such as foregoing exemptions/deductions including deduction under chapter VI A and foregoing the benefits of MAT credit entitlement.</p> <p>As per Para 47 of IND AS 12 and clarifications given in bulletin no 23 of ITFG, where a company expects to avail of the lower tax rate only from a later financial year it should apply the lower tax rate in measurement of deferred taxes only to the extent that the deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in the periods during which the company expects to be subject to lower tax rate. To the extent deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in earlier periods, the normal tax rate should be applied.</p> <p>Based on the assessment made by the company, deferred tax liability/Assets as on March 31, 2022 has been calculated on the basis of dual rates as may be applicable in future. Measurement of deferred tax assets &amp; liabilities has resulted in reversal of deferred tax liability of Rs. 42.46 Crores.</p> <p>For details: - Refer Note No 28 to the Financial Statements</p> | <p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to the recognition of deferred tax assets/liabilities included, but were not limited to, the following:</p> <ul style="list-style-type: none"><li>• Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets.</li><li>• Considered the relevant accounting standards and clarifications given by ITFG for recognition of deferred tax assets and liabilities based on the tax rates expected to be applied at the time of reversal and assessed the appropriateness of the recognition of Deferred Tax Assets/Liabilities.</li><li>• Evaluated the management's assessment for complying with the prescribed conditions as mentioned in the relevant notification issues by income Tax department.</li><li>• Understood and verified the assumptions taken for preparation of future profit projections, utilization of MAT Credit and for migration to new tax regime as prepared by the management</li><li>• Tested the arithmetical accuracy of the calculations performed by the management.</li><li>• Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes.</li><li>• Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.</li><li>• Based on the above procedures performed, we are reasonably certain on recognition and disclosure of Deferred Tax Assets/Liabilities.</li></ul> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>(4) Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims.</b></p> <p>During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognized subsidy claims amounting to Rs. 98.37 crores.</p> <p>For details: - Refer Note No. 40(a) &amp; 51 to the Financial Statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"><li>• We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</li><li>• Company has formulated the policy for recognition of subsidy in the books of accounts and based on the same the company has accounted the income during the year.</li><li>• We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections.</li><li>• We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims.</li><li>• The company has recognized the subsidy to the extent the company has complied with relevant notifications.</li><li>• Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</li></ul> |
| <p><b>Impairment Reversal of carrying value of property, plant and equipment (PPE).</b></p> <p><b>(Refer to note 4 &amp; 49 of the financial statement) (Rs. 21.79 Crores).</b></p> <p>During the year company has performed an impairment assessment for PPE by:</p> <p>Calculating the 'Value in use' for each operating segment and the cash generating unit (CGU) using a discounted cash flow model.</p> <p>We considered the value of impairment Reversal as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors to arrive at value in use comparing with the recoverable amount of CGU.</p> <p>For the purpose of 'value in use' Management has considered the various factors such as future cash flow, sugar and other by – product sales realization price, capacity utilization, cane availability, recovery of sugar from the cane, other cost of production and various Government policies and regulations.</p> | <p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"><li>• We reviewed the impairment testing process implemented by management of the company, in order to identify trigger events and proceed to impairment testing, on the basis of cash-flow forecasts from the budget and business plan established by the Board of Management.</li><li>• To evaluate the cash flow forecasts in the model for each operating segment and the process by which they were developed, we compared previous cash flow forecasts to actual results to assess the historical accuracy of forecasting.</li><li>• Assessed the identification of the CGU which is smallest and indivisible group of assets that can generate largely independent cash inflows.</li><li>• Tested the mathematical accuracy of the model's calculations.</li><li>• To evaluate the cash flow forecast to derive the value in use using assumption and methodologies such as discount rates, cash flow forecast and terminal growth rate.</li><li>• Based on the above procedures performed, the management's estimates related to impairment of CGU are considered to be appropriate.</li></ul>                                                             |

### Information Other Than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to



be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant Rules as applicable as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company internal financial control over financial reporting of those company, for reasons stated therein; and
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided

by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - iv. (a) Management has represented to us that , to the best of its knowledge and belief , other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) Management has represented to us that, to the best of its knowledge and belief , other than as disclosed in the notes to the account no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - (c) Based on our audit procedure conducted that





are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

v. As stated in Notes 12 to the financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Director of the Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

**For NSBP & Co.**  
Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**  
Partner

Place: New Delhi  
Date: May 24, 2022

Membership No: 095541  
UDIN:-22095541ALCLHZ5978

## Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited on its financial statements dated May 24, 2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment have been physically verified by the management according to the programme of periodical verification in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the company except in the following cases where title deeds/ lease agreement are not held in the name of the Company {Refer-Note 4 of the standalone financial statement}

| Description of Property | Gross carrying value (Rs. In crores) | Held in name of     | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company                                                                                                                             |
|-------------------------|--------------------------------------|---------------------|----------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPE –Land               | 0.13                                 | Govt. of Tamil Nadu | No                                                       | FY2003                                          | The company has paid money and took the possession but the land is still not registered in the name of the company because the documentation is pending at government level. |

(d) The Company has not revalued its property, plant and equipment and intangible assets during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- ii. (a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory and have been properly dealt with in the books of accounts.

- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(Rs. in crores)

| Quarter ending     | Value as per books of account | Value as per quarterly return/statement filed with lenders | Difference | Reason for differences                                                                                                                                                                                |
|--------------------|-------------------------------|------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 30, 2021      | 923.00                        | 920.00                                                     | 3.00       | As explained by the management, Deviations are on account of statements submitted with banks on provisional basis. Limit utilized was although much lower than the limit worked out as per financials |
| September 30, 2021 | 452.00                        | 364.00                                                     | 88.00      |                                                                                                                                                                                                       |
| December 31, 2021  | 576.00                        | 538.00                                                     | 38.00      |                                                                                                                                                                                                       |

- iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company are fully paid during the year. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) In our opinion and according to the information and explanations given and books of accounts and records examined by us, there were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) In our opinion and according to the information and explanations provided to us, the company has not granted any loans repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of duty of excise, service tax, labour law, sales tax, competition act, mineral concession Rules, provident fund and income tax have not been deposited on account of dispute along with the forum where the dispute is pending as follows:



| Name of Statue           | Nature of dues                                                                                                                      | Amount<br>(in Rs<br>Crores)* | Amount<br>deposited<br>(in Rs<br>Crores)* | Net Amount<br>Outstanding (in Rs<br>Crores)* | Period for<br>which the<br>amount<br>relates | Forum where<br>dispute is<br>pending     |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------|
| Central Excise Act, 1944 | Demand of differential duty reversed under Rule 6 (3) (A).                                                                          | 0.32                         | 0.03                                      | 0.29                                         | 2012 to 2015                                 | Assistant Commissioner, LTU, Delhi.      |
| Central Excise Act, 1944 | Demand of duty on sale of Electricity.                                                                                              | 1.64                         | 0.00                                      | 1.64                                         | April 2010 to June 2010                      | CESTAT, Delhi                            |
| Central Excise Act, 1944 | Demand of duty on storage loss of R.S. and ENA.                                                                                     | 0.01                         | 0.00                                      | 0.01                                         | December 2009 to March 2010                  | CESTAT, Delhi                            |
| Central Excise Act, 1944 | Denial of cenvat credit on M.S. Pipes, MS Angles, Steel, Channels, Aluminium Sheets, Bars & Rods, etc.                              | 0.04                         | 0.00                                      | 0.04                                         | June 2005 to September 2005                  | High Court, Allahabad                    |
| Finance Act, 1994        | Denial of credit on Service tax paid by Sugar selling agent.                                                                        | 0.18                         | 0.00                                      | 0.18                                         | April 2011 to July 2014                      | Commissioner (A), LTU                    |
| Central Excise Act, 1944 | Demand of Interest on reversal of credit taken on Cement.                                                                           | 0.06                         | 0.00                                      | 0.06                                         | March 2006 to March 2007                     | Dy. Commissioner                         |
| Central Excise Act, 1944 | Denial of credit on Welding Electrodes.                                                                                             | 0.01                         | 0.00                                      | 0.01                                         | December 2009 to March 2010                  | Commissioner(A)                          |
| Finance Act, 1994        | Denial of credit on Service tax paid by Sugar selling agent.                                                                        | 0.47                         | 0.00                                      | 0.47                                         | April 2010 to July 2014                      | Commissioner(A)                          |
| Finance Act, 1994        | Demand of Service tax on Commissioning & Installation charges.                                                                      | 0.03                         | 0.00                                      | 0.03                                         | 2006-07 & 2007-08                            | Dy. Commissioner                         |
| Central Excise Act, 1944 | Demand of differential duty reversed under Rule 6 (3) (A).                                                                          | 0.36                         | 0.00                                      | 0.36                                         | 2012 to 2015                                 | Commissioner (A)                         |
| Finance Act, 1994        | Demand of Service tax on the Commission paid by Galilio on their system.                                                            | 0.02                         | 0.00                                      | 0.02                                         | December 2008 to September 2009              | Dy. Commissioner                         |
| Central Excise Act, 1944 | Denial of Cenvat Credit to erstwhile SDSSKL                                                                                         | 0.13                         | 0.00                                      | 0.13                                         | 2004-2005                                    | Rev. Authority                           |
| Finance Act, 1994        | Demand of Service tax on reimbursement of expenses received from various banks for the dividend a/c under Reverse charge mechanism. | 0.05                         | 0.00                                      | 0.05                                         | 2013-14                                      | Additional Commissioner LTU, New Delhi   |
| Central Sales Tax        | Entry tax demand                                                                                                                    | 0.11                         | 0.00                                      | 0.11                                         | 2006-2007                                    | Additional Commissioner (Appeal)         |
| Central Sales Tax        | Entry tax demand                                                                                                                    | 0.03                         | 0.03                                      | 0.00                                         | 2000-2001                                    | Additional Commissioner (Appeal)         |
| Central Sales Tax        | Entry tax demand                                                                                                                    | 0.12                         | 0.00                                      | 0.12                                         | 2012-13                                      | Additional Commissioner (Appeal) Lucknow |
| Central Sales Tax        | CST demand                                                                                                                          | 0.17                         | 0.00                                      | 0.17                                         | 2015-16                                      | 1st Appeal, Lucknow                      |
| Income Tax Act, 1961     | Income Tax                                                                                                                          | 0.95                         | 0.00                                      | 0.95                                         | AY 2004-05                                   | Assessing Officer                        |
| Income Tax Act, 1961     | Income Tax                                                                                                                          | 3.81                         | 0.00                                      | 3.81                                         | AY 2008-09 to 2018-19                        | CIT (Appeals)                            |
| Income Tax Act, 1961     | Income Tax                                                                                                                          | 0.02                         | 0.00                                      | 0.02                                         | AY 2008-09                                   | ITAT                                     |
| Income Tax Act, 1961     | Income Tax                                                                                                                          | 0.90                         | 0.00                                      | 0.90                                         | AY 2016-17                                   | Assessing Officer                        |
| Income Tax Act, 1961     | Income Tax                                                                                                                          | 34.19                        | 0.00                                      | 34.19                                        | AY 2017-18 and 2018-19                       | CIT Appeals                              |
| Labour Laws              | Workmen Compensation                                                                                                                | 0.10                         | 0.00                                      | 0.10                                         | 2007-08                                      | Collector, Sitapur, UP                   |

| Name of Statue                                                  | Nature of dues                 | Amount<br>(in Rs<br>Crores)* | Amount<br>deposited<br>(in Rs<br>Crores)* | Net Amount<br>Outstanding (in Rs<br>Crores)* | Period for<br>which the<br>amount<br>relates | Forum where<br>dispute is<br>pending         |
|-----------------------------------------------------------------|--------------------------------|------------------------------|-------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| Labour Laws                                                     | Labour Compensation            | 0.12                         | 0.00                                      | 0.12                                         | 2013-14                                      | Dist Court, Beed, Maharashtra                |
| Employees' Provident Fund and Miscellaneous Provision Act, 1952 | Employees' Provident Fund      | 0.13                         | 0.065                                     | 0.065                                        | Jan 2011 to Aug 2014                         | Employees' Provident Fund Appellate Tribunal |
| Mineral concession Rules, 1960                                  | Mining Compensation            | 79.88                        | 0.00                                      | 79.88                                        | Aug 1966 to Oct 2017                         | Madras, High Court                           |
| Mineral concession Rules, 1960                                  | Dunite compensation            | 11.44                        | 0.00                                      | 11.44                                        | 2000-2018                                    | Madras, High Court                           |
| Mineral concession Rules, 1960                                  | Magnesite compensation         | 7.24                         | 0.00                                      | 7.24                                         | 2000-2018                                    | Madras, High Court                           |
| Competition Act                                                 | Penalty for alleged cartelling | 3.93                         | 0.20                                      | 3.73                                         | 2013-2014                                    | NCLAT                                        |

viii. According to the information and explanations given to us, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including the loans and interest which are repayable on demand.

(b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lenders or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

x (a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of initial public offer or further public offer (including debt

instruments). Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.

xi (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause 3 (xi) (a) and (b) of the Order is not applicable to the Company.

(b) According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and up to the date of the report) by the company.

xii In our opinion, the Company is not a Nidhi Company. Accordingly reporting under clause 3 (xii) (a) to (c) of the Order is not applicable to the Company.

xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.

xiv (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons





connected with him and hence requirement to report on clause 3 (xv) of the Order is not applicable to the Company.

xvi (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi) (a) to (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3 (xvi) (d) of the Order is not applicable.

xvii In our opinion, and according to the information and explanations provided to us, The Company has not incurred cash losses in the current financial year and in the immediate preceding financial year.

xviii There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause (xviii) of the Order are not applicable to the Company.

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that

company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 44 (e) to the financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period thirty days from end of the financial year in compliance with section 135 (6) of the Companies Act as disclosed in note 44 (e) to the financial statements.

For NSBP & Co.

Chartered Accountants

Firm Registration No. 001075N

Deepak K. Aggarwal

Partner

Place: New Delhi

Date: May 24, 2022

Membership No: 095541

UDIN:-22095541ALCLHZ5978

## Annexure B to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited ('the Company') on its standalone financial statements dated May 24, 2022.

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of Dalmia Bharat Sugar and Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The management of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively

for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For NSBP & Co.

Chartered Accountants  
Firm Registration No. 001075N

Deepak K. Aggarwal

Partner

Place: New Delhi

Date: May 24, 2022

Membership No: 095541

UDIN:-22095541ALCLHZ5978



## Standalone Balance Sheet

as at March 31, 2022

(Rs. in crores)

|                                                                                  | Note No. | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                    |          |                         |                         |
| <b>A) Non-current assets</b>                                                     |          |                         |                         |
| a) Property, plant and equipment                                                 | 4        | 1,530.98                | 1,307.81                |
| b) Capital work - in - progress                                                  | 4        | 58.81                   | 27.13                   |
| c) Intangible assets                                                             | 4        | 0.13                    | 0.22                    |
| d) Financial assets                                                              | 5        |                         |                         |
| i) Investments                                                                   | (i)      | 444.16                  | 462.09                  |
| ii) Loans                                                                        | (ii)     | 0.05                    | 23.76                   |
| iii) Others                                                                      | (iii)    | 2.50                    | 2.54                    |
| e) Income tax assets (net)                                                       | 6        | 9.97                    | 3.35                    |
| f) Other non-current assets                                                      | 7        | 18.16                   | 21.65                   |
| <b>Total Non-current assets</b>                                                  |          | <b>2,064.76</b>         | <b>1,848.55</b>         |
| <b>B) Current assets</b>                                                         |          |                         |                         |
| a) Inventories                                                                   | 8        | 1,242.39                | 1,375.03                |
| b) Financial Assets                                                              | 9        |                         |                         |
| i) Investments                                                                   | (i)      | 104.27                  | 101.39                  |
| ii) Trade receivables                                                            | (ii)     | 166.54                  | 115.26                  |
| iii) Cash and cash equivalents                                                   | (iii)    | 94.21                   | 71.00                   |
| iv) Bank Balances other than (iii) above                                         | (iv)     | 9.29                    | 8.49                    |
| v) Loans                                                                         | (v)      | 0.31                    | 1.93                    |
| vi) Others                                                                       | (vi)     | 23.23                   | 43.64                   |
| c) Other current assets                                                          | 10       | 43.65                   | 111.65                  |
| <b>Total Current assets</b>                                                      |          | <b>1,683.89</b>         | <b>1,828.39</b>         |
| Assets for disposal group classified as held for sales                           | 31(i)(a) | 27.79                   | -                       |
| <b>Total Assets</b>                                                              |          | <b>3,776.44</b>         | <b>3,676.94</b>         |
| <b>EQUITY &amp; LIABILITIES</b>                                                  |          |                         |                         |
| <b>A) Equity</b>                                                                 |          |                         |                         |
| a) Equity share capital                                                          | 11       | 16.19                   | 16.19                   |
| b) Other equity                                                                  | 12       | 2,298.14                | 2,073.55                |
| <b>Total Equity</b>                                                              |          | <b>2314.33</b>          | <b>2089.74</b>          |
| <b>B) Liabilities</b>                                                            |          |                         |                         |
| <b>Non- current liabilities</b>                                                  |          |                         |                         |
| a) Financial liabilities                                                         | 13       |                         |                         |
| i) Borrowings                                                                    | (i)      | 337.21                  | 226.64                  |
| ii) Others                                                                       | (ii)     | 3.19                    | 3.24                    |
| b) Provisions                                                                    | 14       | 38.73                   | 33.11                   |
| c) Deferred tax liabilities (net)                                                | 15       | 159.94                  | 140.98                  |
| d) Other non current liabilities                                                 | 16       | 4.67                    | 8.52                    |
| <b>Total Non- current liabilities</b>                                            |          | <b>543.74</b>           | <b>412.49</b>           |
| <b>Current liabilities</b>                                                       |          |                         |                         |
| a) Financial liabilities                                                         | 17       |                         |                         |
| i) Borrowings                                                                    | (i)      | 481.30                  | 731.26                  |
| ii) Trade payables                                                               | (ii)     |                         |                         |
| Due to micro small and medium enterprises                                        |          | 0.55                    | 2.66                    |
| Due to others                                                                    |          | 260.63                  | 265.82                  |
| iii) Others                                                                      | (iii)    | 84.53                   | 66.02                   |
| b) Other current liabilities                                                     | 18       | 34.79                   | 65.84                   |
| c) Income Tax liabilities(Net)                                                   |          | 50.33                   | 37.48                   |
| d) Provisions                                                                    | 19       | 6.04                    | 5.63                    |
| <b>Total Current liabilities</b>                                                 |          | <b>918.17</b>           | <b>1174.71</b>          |
| Liabilities directly associated with disposal group classified as held for sales | 31(i)(b) | 0.20                    | -                       |
| <b>Total equity &amp; liabilities</b>                                            |          | <b>3,776.44</b>         | <b>3676.94</b>          |
| <b>Corporate Information</b>                                                     | 1        |                         |                         |
| <b>Basis of preparation of financial statement</b>                               | 2        |                         |                         |
| <b>Significant accounting policies</b>                                           | 3        |                         |                         |

The accompanying note no. 1 to 54 are integral part of these standalone financial statements.

As per our report of even date

For NSBP &amp; Co.

Chartered Accountants

FRN - 001075N

Deepak K. Aggarwal  
Partner  
Membership No.: 095541

Aashhima V Khanna  
Company Secretary  
Membership No.: A34517

Anil Kataria  
C.F.O  
PAN: AALPK4889N

For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited

B B Mehta  
W.T.D  
DIN:00006890

Gautam Dalmia  
Managing Director  
DIN:00009758

Place : New Delhi  
Date : May 24, 2022

## Standalone statement of profit and loss

for the year ended March 31, 2022

(Rs. in crores)

|                                                                                 | Note No. | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>Continuing operations</b>                                                    |          |                                      |                                      |
| <b>I. Income</b>                                                                |          |                                      |                                      |
| Revenue from operations                                                         | 20       | 3018.25                              | 2685.57                              |
| Other income                                                                    | 21       | 61.91                                | 53.36                                |
| <b>Total Income (I)</b>                                                         |          | <b>3080.16</b>                       | <b>2738.93</b>                       |
| <b>II. Expenses</b>                                                             |          |                                      |                                      |
| Cost of raw materials consumed                                                  | 22       | 1927.86                              | 1873.79                              |
| Purchase of traded goods                                                        | 22       | 17.10                                | 0.00                                 |
| Change in inventories of finished goods ,work in progress and stock in trade    | 23       | 188.28                               | (45.17)                              |
| Employee benefits expense                                                       | 24       | 175.63                               | 142.95                               |
| Finance costs                                                                   | 25       | 34.82                                | 61.86                                |
| Depreciation and amortization expense                                           | 4 & 26   | 94.71                                | 95.55                                |
| Impairment of Property, plant and equipment                                     | 4 & 49   | (21.79)                              | 0.00                                 |
| Other expenses                                                                  | 27       | 283.46                               | 241.44                               |
| <b>Total Expenses (II)</b>                                                      |          | <b>2700.07</b>                       | <b>2370.42</b>                       |
| <b>Profit before exceptional items and tax</b>                                  |          | <b>380.09</b>                        | <b>368.51</b>                        |
| Exceptional items                                                               |          | 0.00                                 | 0.00                                 |
| <b>Profit before tax</b>                                                        |          | <b>380.09</b>                        | <b>368.51</b>                        |
| Tax expense:                                                                    | 28       |                                      |                                      |
| Current tax                                                                     |          | 98.33                                | 101.62                               |
| Deferred tax                                                                    |          | (13.49)                              | (3.31)                               |
| Tax adjustment for earlier years                                                |          | 0.00                                 | 0.00                                 |
| <b>Total of tax expense</b>                                                     |          | <b>84.84</b>                         | <b>98.31</b>                         |
| <b>Profit for the year from continuing operations</b>                           |          | <b>295.25</b>                        | <b>270.20</b>                        |
| <b>Discontinued operations</b>                                                  |          |                                      |                                      |
| Profit/(Loss) before tax from discontinued operation                            | 31(ii)   | (2.47)                               | (1.07)                               |
| Tax expense/(credit) on discontinued operation                                  | 31(ii)   | (0.86)                               | (0.37)                               |
| <b>Net profit/ (loss) for the year from discontinued operation</b>              |          | <b>(1.61)</b>                        | <b>(0.70)</b>                        |
| <b>Profit for the year</b>                                                      |          | <b>293.64</b>                        | <b>269.50</b>                        |
| Other comprehensive income from continuing and discontinued operations          | 29       |                                      |                                      |
| a i) Items that will not be reclassified to profit/(loss)                       |          | (22.05)                              | 206.61                               |
| ii) Income tax relating to items that will not be reclassified to profit/(loss) |          | 2.48                                 | (4.68)                               |
| b. i) Items that will be reclassified to profit/(loss)                          |          |                                      |                                      |
| Fair value changes on derivatives designated as cash flow hedge                 |          | (1.23)                               | 15.07                                |
| ii) Income tax relating to items that will be reclassified to profit/(loss)     |          | 0.31                                 | (5.27)                               |
| <b>Total comprehensive income for the year (net of taxes)</b>                   |          | <b>273.15</b>                        | <b>481.23</b>                        |
| (Comprising profit/(loss) and other comprehensive income for the year)          |          |                                      |                                      |
| <b>Earning per share</b>                                                        | 30       |                                      |                                      |
| <b>Continued operations</b>                                                     |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | 36.48                                | 33.38                                |
| Diluted (in Rs.)                                                                |          | 36.48                                | 33.38                                |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| <b>Discontinued operations</b>                                                  |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | (0.20)                               | (0.09)                               |
| Diluted (in Rs.)                                                                |          | (0.20)                               | (0.09)                               |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| <b>Continuing and Discontinued operation</b>                                    |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | 36.28                                | 33.30                                |
| Diluted (in Rs.)                                                                |          | 36.28                                | 33.30                                |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| Corporate Information                                                           | 1        |                                      |                                      |
| Basis of preparation of Financial Statement                                     | 2        |                                      |                                      |
| Significant Accounting Policies                                                 | 3        |                                      |                                      |

The accompanying note no. 1 to 54 are integral part of these standalone financial statements.

As per our report of even date

For NSBP &amp; Co.

Chartered Accountants

FRN - 001075N

Deepak K. Aggarwal  
Partner  
Membership No.: 095541

Aashhima V Khanna  
Company Secretary  
Membership No.: A34517

Anil Kataria  
C.F.O  
PAN: AALPK4889N

For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited

B B Mehta  
W.T.D  
DIN:00006890

Gautam Dalmia  
Managing Director  
DIN:00009758

Place : New Delhi  
Date : May 24, 2022





## Standalone statement of cash flows for the year ended March 31, 2022

(Rs. in crores)

|                                                                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                             | Audited                              | Audited                              |
| <b>A. Cash Flow from Operating Activities</b>                               |                                      |                                      |
| Profit/(Loss) before tax from :                                             |                                      |                                      |
| Continuing operations                                                       | 380.09                               | 368.51                               |
| Discontinuing operations                                                    | (2.47)                               | (1.07)                               |
| <b>PBT for continuing and discontinuing operations</b>                      | <b>377.62</b>                        | <b>367.44</b>                        |
| Adjustments for Non-cash and Non -operating items:-                         |                                      |                                      |
| <b>Add:-</b>                                                                |                                      |                                      |
| Depreciation / Amortization                                                 | 94.71                                | 95.55                                |
| Impairment reversal                                                         | (21.79)                              | 0.00                                 |
| Provision for doubtful debts/ advances                                      | 0.00                                 | 0.04                                 |
| Provision for non moving inventory                                          | 0.00                                 | 2.50                                 |
| Bad Debts/ Advances written off                                             | 0.06                                 | 0.13                                 |
| Finance Cost                                                                | 34.82                                | 61.86                                |
| <b>Less:-</b>                                                               |                                      |                                      |
| Dividend Income                                                             | (1.01)                               | 0.00                                 |
| Interest Income                                                             | (2.03)                               | (9.44)                               |
| Provision for doubtful debts written back                                   | (0.16)                               | (0.45)                               |
| Provision for Non moving inventory written back                             | (0.68)                               | 0.00                                 |
| (Profit)/Loss on sale of Investments                                        | (3.80)                               | (12.13)                              |
| Changes in Fair Value of Investments                                        | (4.45)                               | (4.58)                               |
| (Profit)/Loss on sale of property, plant & equipment and Assets written off | 3.01                                 | 0.12                                 |
| Grant amortized                                                             | (5.52)                               | (16.77)                              |
| <b>Operating Profit before working Capital Changes</b>                      | <b>470.78</b>                        | <b>484.27</b>                        |
| <b>Adjustments for working Capital changes :</b>                            |                                      |                                      |
| Inventories                                                                 | 133.32                               | (48.23)                              |
| Trade and Other Payables                                                    | (39.25)                              | (89.79)                              |
| Trade and Other Receivables                                                 | 60.59                                | 6.87                                 |
| <b>Cash Generated from Operations</b>                                       | <b>625.44</b>                        | <b>353.12</b>                        |
| Direct Taxes (Paid)/Refund (Net)                                            | (56.00)                              | (7.15)                               |
| <b>Net Cash generated from operating activities</b>                         | <b>569.44</b>                        | <b>345.97</b>                        |
| <b>B. Cash Flow from Investing Activities</b>                               |                                      |                                      |
| Purchase of property, plant and equipment Including CWIP & Capital Advances | (333.40)                             | (71.88)                              |
| (Purchase)/ Sale of Investments                                             | 1.25                                 | 107.11                               |
| Interest Received                                                           | 2.03                                 | 1.26                                 |
| Dividend Received from Investments                                          | 1.01                                 | 0.00                                 |
| <b>Net Cash used in Investing Activities</b>                                | <b>(329.11)</b>                      | <b>36.49</b>                         |
| <b>C. Cash Flow from Financing Activities</b>                               |                                      |                                      |
| Proceeds/(Repayment) of short term borrowings (net)                         | (249.96)                             | (121.54)                             |
| Proceeds/(Repayment) of long term borrowings (net)                          | 110.57                               | (197.74)                             |
| Finance Cost                                                                | (29.17)                              | (45.10)                              |
| Dividend Paid                                                               | (48.56)                              | 0.00                                 |
| <b>Net cash used in financing activities</b>                                | <b>(217.12)</b>                      | <b>(364.38)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents ( A+B+C)</b>        | <b>23.21</b>                         | <b>18.08</b>                         |
| Cash and cash equivalents at the beginning of the year                      | 71.00                                | 52.92                                |
| Cash and cash equivalents at the end of the year                            | 94.21                                | 71.00                                |

## Standalone statement of cash flows for the year ended March 31, 2022

(Rs. in crores)

| Components of Cash & Cash Equivalents  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------|-------------------------|-------------------------|
| Balances with banks                    |                         |                         |
| Cash on hand                           | 0.18                    | 0.17                    |
| Balances with banks                    | 94.03                   | 70.83                   |
| <b>Net Cash &amp; Cash Equivalents</b> | <b>94.21</b>            | <b>71.00</b>            |

## Changes in liabilities arising from financing activities:

(Rs. in crores)

| Particulars            | As at<br>March 31, 2022 | Cash flows | As at<br>March 31, 2021 |
|------------------------|-------------------------|------------|-------------------------|
| Current borrowings     | 481.30                  | (249.96)   | 731.26                  |
| Non current borrowings | 337.21                  | 110.57     | 226.64                  |

(Rs. in crores)

| Particulars            | As at<br>March 31, 2021 | Cash flows | As at<br>April 1, 2020 |
|------------------------|-------------------------|------------|------------------------|
| Current borrowings     | 731.26                  | (121.54)   | 852.80                 |
| Non current borrowings | 226.64                  | (197.74)   | 424.39                 |

Note:

- 1) Cash & cash equivalents components are as per Note 9 (iii).
- 2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".
- 3) Previous year figures are regrouped and reclassified, wherever considered necessary.
- 4) Figure in bracket denotes cash outflow during the year.

## Note No.

Corporate Information  
Basis of preparation of financial statement  
Significant accounting policies

1  
2  
3

The accompanying note no. 1 to 54 are integral part of these standalone financial statements.

As per our report of even date

**For NSBP & Co.**

Chartered Accountants

FRN - 001075N

**Deepak K. Aggarwal**

Partner

Membership No.: 095541

**Aashhima V Khanna**

Company Secretary

Membership No.: A34517

**Anil Kataria**

C.F.O

PAN: AALPK4889N

**For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited**

**B B Mehta**

W.T.D

DIN:00006890

**Gautam Dalmia**

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022



## Standalone statement of changes in equity for the year ended March 31, 2022

### A. Equity Share Capital

(Rs. in crores)

|                                 | As at<br>March 31,2022 | Changes<br>during the year | As at<br>March 31,2021 | Changes<br>during the year | As at<br>April 01,2020 |
|---------------------------------|------------------------|----------------------------|------------------------|----------------------------|------------------------|
| Balance of Equity Share Capital | 16.19                  | -                          | 16.19                  | -                          | 16.19                  |

### B. Other equity

(Rs. in crores)

|                               | Reserves and Surplus |                   |                 | Items of other comprehensive income                   |                 |                                                 | Total   |
|-------------------------------|----------------------|-------------------|-----------------|-------------------------------------------------------|-----------------|-------------------------------------------------|---------|
|                               | Capital reserve      | Retained earnings | General Reserve | Equity instruments through other comprehensive income | Cash flow hedge | Acturial Gain & Losses on Defined Benefits Plan |         |
| Balances as at April 01, 2020 | 4.07                 | 1467.66           | 52.54           | 82.29                                                 | (7.92)          | (6.31)                                          | 1592.32 |
| Profit for the year           |                      | 269.50            |                 |                                                       |                 |                                                 | 269.50  |
| Dividend paid during the year |                      |                   |                 |                                                       |                 |                                                 | -       |
| Other comprehensive income    |                      |                   |                 | 202.18                                                | 9.80            | (0.25)                                          | 211.73  |
| Balances as at March 31, 2021 | 4.07                 | 1737.16           | 52.54           | 284.47                                                | 1.88            | (6.56)                                          | 2073.55 |
| Movement during FY 21-22      |                      |                   |                 |                                                       |                 |                                                 |         |
| Profit for the year           |                      | 293.64            | -               |                                                       |                 |                                                 | 293.64  |
| Dividend paid during the year |                      | (48.55)           |                 |                                                       |                 |                                                 | (48.55) |
| Other comprehensive income    |                      |                   |                 | (15.38)                                               | (0.92)          | (4.20)                                          | (20.50) |
| Balances as at March 31, 2022 | 4.07                 | 1982.25           | 52.54           | 269.09                                                | 0.96            | (10.76)                                         | 2298.14 |

For description of the purposes of each reserves within equity, refer note No.-12 of standalone financials statements.

#### Note No.

|                                             |   |
|---------------------------------------------|---|
| Corporate Information                       | 1 |
| Basis of preparation of Financial Statement | 2 |
| Significant Accounting Policies             | 3 |

The accompanying note no. 1 to 54 are integral part of these standalone financial statements.

As per our report of even date

**For NSBP & Co.**

Chartered Accountants

FRN - 001075N

**Deepak K. Aggarwal**

Partner

Membership No.: 095541

**Aashhima V Khanna**

Company Secretary

Membership No.: A34517

**Anil Kataria**

C.F.O

PAN: AALPK4889N

**For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited**

**B B Mehta**

W.T.D

DIN:00006890

**Gautam Dalmia**

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs).

### 2. Basis of accounting and preparation of Financial Statements

#### A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on May 24, 2022.

#### B. Basis of preparation and presentation.

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### C. Current/Non-current assets and liabilities:

##### A. Current Assets – An asset is classified as current when:

- The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- The company holds the asset primarily for the purpose of trading;
- The company expects to realise the asset within twelve months after the reporting period;
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

##### B. Current Liability – A liability is classified as current when:

- The company expects to settle the liability in its normal operating cycle;
- The company holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

#### D. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

#### E. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ



## Notes to Standalone Financial Statements for the year ended March 31, 2022

from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

### a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period. The management evaluates and reviews the pattern of expected economic benefits from the asset along with commensurate method of depreciation on periodic basis and decides to follow suitable method of charging depreciation.

### b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

### c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

### d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

### e. Impairment of financial and non-financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## F. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

## 3. Significant accounting policies

### A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

### C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

### D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for PPE and Intangible assets:

|                                                                                  |                                                                                                               |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| A. "Plant and machinery"                                                         |                                                                                                               |
| Sugar, Cogeneration and Distillery Segment (Excluding Sanitizer)                 | Written down value method                                                                                     |
| Sanitizer                                                                        | 100% depreciation charged in the year of purchase                                                             |
| Situated at Salem (excluding earth moving machinery) Wind Farm and MLCC division | Straight line method                                                                                          |
| B. Leasehold land                                                                | Amortised over the period of lease, i.e., 99 years                                                            |
| C. Computer software                                                             | Amortised over a period of 3-5 years on a Straight line basis.                                                |
| D. Other intangible assets                                                       | Amortised over a period of maximum 10 years on a straight line basis.                                         |
| E. Capital Spares                                                                | Based on technical estimates by the management depreciated on straight line method over a period of 10 years. |
| F. Remaining Property Plant and equipment                                        | Straight Line Method                                                                                          |

During the previous year the management has reviewed the pattern of accrual of benefits alongwith the commensurate depreciation method which should be followed to depreciate it's plant and machinery; and has decided to change the method of depreciation from SLM (straight Line Method) to WDV (Written Down Value) for sugar and distillery segments.

### E. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of

## Notes to Standalone Financial Statements for the year ended March 31, 2022

a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

### F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

### H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of by-products.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

### I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

#### a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered

#### b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust..

#### c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (IND AS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absenteeism as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

### J. Inventories

- Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products (including final molasses) are valued at net realisable value. B Heavy molasses is valued at derived values based on proportionate sugar content. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
- Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.
- Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### K. Assets (or disposal group) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not

## Notes to Standalone Financial Statements for the year ended March 31, 2022

in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represent as separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before/after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 31. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

### L. Financial Instruments

#### (a) Financial Assets

##### i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

##### ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

##### iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

##### v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

- Interest calculated using EIR
- Foreign exchange gain and losses; and
- Impairment losses and gains

### vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

### viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

### (b) Financial liabilities & Equity

#### i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

#### iii. Subsequent Measurement of Financial Liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

### v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

### vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

### viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### ix. Derivative financial instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivatives that are designated as hedges are classified as current and non current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### x. Cash flow hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

### M. Investments in subsidiaries, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

### N. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Sale of goods

Sales is exclusive of goods and service tax (GST) and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Ind AS 115 introduces a new framework of five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company has evaluated the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 was insignificant.

#### Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Interunit transfer of power is accounted at the rate at which the company would have purchased power from grid. For consolidation purposes these transfers are eliminated from respective heads.

#### Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent sold.

#### Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

#### Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

#### Sale of services

The company being a manufacturing entity does not generally provide services in the normal course of business except the travel related service.

Revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### O. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

#### Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### P. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### R. Provisions, contingent liabilities and contingent assets

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

#### Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the company recognizes the impairment on the assets with the contract.

#### Contingent assets

Contingent assets are not recognized in the financial statements.

### S. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

### T. Impairment

#### Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

#### Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.



4 Property plant & equipment, intangible assets & capital work in progress.

| Particulars                                                       | Property Plant and Equipments |                 |               |                     |                        |             |                  |                 |                   |                   | (Rs. in crores) |                 |
|-------------------------------------------------------------------|-------------------------------|-----------------|---------------|---------------------|------------------------|-------------|------------------|-----------------|-------------------|-------------------|-----------------|-----------------|
|                                                                   | Land Freehold#                | Land Lease hold | Buildings     | Plant and equipment | Furniture and Fixtures | Vehicles    | Office equipment | Total           | Intangible Assets |                   | Total           |                 |
|                                                                   |                               |                 |               |                     |                        |             |                  |                 | Operating Rights  | Computer Software |                 |                 |
| <b>Cost or revalued amount</b>                                    |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 |                 |
| <b>as at 01 April, 2020</b>                                       | <b>582.03</b>                 | <b>0.58</b>     | <b>200.19</b> | <b>1,429.29</b>     | <b>8.65</b>            | <b>5.69</b> | <b>5.76</b>      | <b>2,232.19</b> | <b>3.64</b>       | <b>2.20</b>       | <b>5.84</b>     | <b>2,238.04</b> |
| Additions                                                         | -                             | -               | 11.47         | 37.93               | 0.48                   | 0.32        | 0.86             | 51.06           |                   | 0.01              | 0.01            | 51.08           |
| Disposals                                                         | 0.05                          | -               | 0.08          | 0.58                | 0.23                   | -           | 0.37             | 1.31            |                   |                   | -               | 1.31            |
| <b>as at 31st March, 2021</b>                                     | <b>581.98</b>                 | <b>0.58</b>     | <b>211.58</b> | <b>1,466.64</b>     | <b>8.90</b>            | <b>6.01</b> | <b>6.25</b>      | <b>2,281.94</b> | <b>3.64</b>       | <b>2.21</b>       | <b>5.85</b>     | <b>2,287.79</b> |
| Additions                                                         | 0.16                          | -               | 20.37         | 303.12              | 0.76                   | 0.04        | 1.39             | 325.84          |                   | 0.01              | 0.01            | 325.85          |
| Disposal group classified as held for sale (Refer note no. 31(i)) | 26.25                         |                 | 1.21          | 12.49               | 0.06                   | -           | 0.08             | 40.09           |                   |                   | -               | 40.09           |
| Disposals                                                         | -                             | -               | 0.79          | 7.90                | 0.25                   | 0.22        | 1.50             | 10.68           |                   |                   | -               | 10.68           |
| <b>as at 31st March, 2022</b>                                     | <b>555.89</b>                 | <b>0.58</b>     | <b>229.95</b> | <b>1,749.37</b>     | <b>9.35</b>            | <b>5.83</b> | <b>6.06</b>      | <b>2,557.01</b> | <b>3.64</b>       | <b>2.22</b>       | <b>5.86</b>     | <b>2,562.87</b> |
| <b>Depreciation and amortisation</b>                              |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 |                 |
| <b>as at 01 April,2020</b>                                        | <b>0.01</b>                   | <b>0.17</b>     | <b>80.92</b>  | <b>784.41</b>       | <b>6.70</b>            | <b>3.03</b> | <b>4.50</b>      | <b>879.76</b>   | <b>3.64</b>       | <b>1.85</b>       | <b>5.49</b>     | <b>885.27</b>   |
| Charge for the year                                               | -                             | -               | 5.53          | 88.38               | 0.36                   | 0.58        | 0.55             | 95.41           |                   | 0.14              | 0.14            | 95.55           |
| Disposals                                                         | -                             | -               | 0.00          | 0.48                | 0.18                   | -           | 0.37             | 1.04            |                   | 0.00              |                 | 1.05            |
| <b>as at 31st March,2021</b>                                      | <b>0.01</b>                   | <b>0.17</b>     | <b>86.45</b>  | <b>872.31</b>       | <b>6.88</b>            | <b>3.61</b> | <b>4.68</b>      | <b>974.13</b>   | <b>3.64</b>       | <b>1.99</b>       | <b>5.63</b>     | <b>979.77</b>   |
| Charge for the year                                               | -                             | -               | 5.73          | 87.28               | 0.40                   | 0.44        | 0.78             | 94.63           |                   | 0.09              | 0.09            | 94.71           |
| Impairment reversal **                                            | -                             | -               | 3.51          | 18.28               | -                      | -           | -                | 21.79           |                   |                   | -               | 21.79           |
| Disposal group classified as held for sale Refer note no.31(i)    | -                             | -               | 1.17          | 12.49               | 0.06                   | -           | 0.08             | 13.80           |                   |                   |                 | 13.80           |
| Disposals                                                         | -                             | -               | 0.62          | 4.60                | 0.20                   | 0.22        | 1.50             | 7.14            |                   | 0.00              |                 | 7.13            |
| <b>as at 31st March,2022</b>                                      | <b>0.01</b>                   | <b>0.17</b>     | <b>86.88</b>  | <b>924.22</b>       | <b>7.02</b>            | <b>3.83</b> | <b>3.88</b>      | <b>1,026.03</b> | <b>3.64</b>       | <b>2.09</b>       | <b>5.73</b>     | <b>1,031.76</b> |
| <b>Net Block</b>                                                  |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 |                 |
| <b>as at 31st March,2021</b>                                      | <b>581.97</b>                 | <b>0.41</b>     | <b>125.12</b> | <b>594.34</b>       | <b>2.02</b>            | <b>2.40</b> | <b>1.57</b>      | <b>1,307.81</b> | <b>0.00</b>       | <b>0.22</b>       | <b>0.22</b>     | <b>1,308.03</b> |
| <b>as at 31st March,2022</b>                                      | <b>555.88</b>                 | <b>0.41</b>     | <b>143.07</b> | <b>825.15</b>       | <b>2.33</b>            | <b>2.00</b> | <b>2.18</b>      | <b>1,530.98</b> | <b>0.00</b>       | <b>0.13</b>       | <b>0.13</b>     | <b>1,531.11</b> |
| <b>Capital Work in Progress</b>                                   |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 |                 |
| <b>as at 31st March, 2021</b>                                     |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 | <b>27.13</b>    |
| <b>as at 31st March, 2022</b>                                     |                               |                 |               |                     |                        |             |                  |                 |                   |                   |                 | <b>58.81</b>    |

\*\*During the year company has reversed impairment provision of Rs.21.79 cr, actually provide forth in financial year 2019-20 amounting to Rs.28.65 cr.(Refer note no. 49)

In the earlier year company has made the impairment provision for one of its unit. In the current financial year unit has earned profit and further future prospect of unit is good in terms of availability of sugarcane, better realization of sugar and other by products. Further the company has undertaken the capex plan to expand the unit to make this unit more porfitable, hence based on these positive indicators impairment provision of Rs.21.79 cr made in earlier year is written back during the current financial year.

Notes to Standalone Financial Statements for the year ended March 31, 2022

4. Property plant & equipment, intangible assets & capital work in progress. (Cont.)

Capital- Work-in progress - ageing schedule

| Particulars                    | As at 31st March,2022          |           |           |                   |       | As at 31st March,2021          |           |           |                   |       | (Rs. in crores) |  |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|--------------------------------|-----------|-----------|-------------------|-------|-----------------|--|
|                                | Amount in CWIP for a period of |           |           |                   |       | Amount in CWIP for a period of |           |           |                   |       | Total           |  |
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total |                 |  |
| Projects in progress*          | 58.81                          | -         | -         | -                 | 58.81 | 27.13                          | -         | -         | -                 | 27.13 |                 |  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     | -                              | -         | -         | -                 | -     |                 |  |

\* Includes preoperative expenditure pending capitalisation of Rs. 0.18 Cr (Rs. 0.14 Cr) (refer note no. 43)

\* CWIP does not include any project, completion of which is overdue or has exceeded it's cost as per plan.

Title deeds of Immoveable Properties not held in name of the company

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value      | Title deeds held in the name of | Whether title deed holder is a promoter,director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                    |
|-----------------------------------------|---------------------------------|---------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Plant and Equipments           | Freehold Land#                  | Rs. 0.13 Cr (Rs. 0.13 Cr) | Govt. of Tamil Nadu             | No                                                                                                                 | FY2003                         | Company has paid the money and took the possession but the land is still not registered in the name of the company because the documentation formalities is pending at government level |

# 2.79 acre (2.79 acre) land at salem unit.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 5. Non-current financial assets

(Rs. in crores)

|                                                                                                                                                                                                                                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>5 (i). Investments</b>                                                                                                                                                                                                          |                         |                         |
| <b>A. Quoted</b>                                                                                                                                                                                                                   |                         |                         |
| <b>Equity Shares Carried at Fair Value through OCI</b>                                                                                                                                                                             |                         |                         |
| 1885134 (1885134) equity shares of Rs. 10 each fully paid up in Dalmia Bharat Limited.                                                                                                                                             | 281.77                  | 299.17                  |
| <b>B. Unquoted</b>                                                                                                                                                                                                                 |                         |                         |
| <b>(i) Investments in Subsidiaries (Carried at Cost)*</b>                                                                                                                                                                          |                         |                         |
| <b>Equity Shares</b>                                                                                                                                                                                                               |                         |                         |
| 450000(450000) Equity shares of Rs 10 each fully paid up in Himshikhar Investment Limited                                                                                                                                          | 4.45                    | 4.45                    |
| <b>Optionally Convertible Debentures</b>                                                                                                                                                                                           |                         |                         |
| 15 cr (15 Cr) Debentures of face value of Rs.10 each, coupon rate - 0%, convertible at the option of Himshikhar Investment Limited into 10 cr Equity shares of Rs10 each at a premium of 50% or can be redeemed at a premium of 5% | 150.00                  | 150.00                  |
| *Refer Note No. 44(c)                                                                                                                                                                                                              |                         |                         |
| <b>(ii) Investment in Bonds (Carried at amortised Cost)</b>                                                                                                                                                                        |                         |                         |
| 20 (20) units of Bank of Baroda Bonds - 8.50% to 8.99%                                                                                                                                                                             | 2.05                    | 2.05                    |
| 54 (54) units of Canara Bank (Perp.) Bonds - 9.55%                                                                                                                                                                                 | 5.39                    | 5.39                    |
| 0 (5000) units of HUDCO Bonds - 8.10%                                                                                                                                                                                              | 0.00                    | 0.53                    |
| 5 (5) units of SBI Perpetual Bonds - 7.74%                                                                                                                                                                                         | 0.50                    | 0.50                    |
| <b>(iii) Others*</b>                                                                                                                                                                                                               |                         |                         |
| <b>Shares of Co-operative Societies (Unquoted)</b>                                                                                                                                                                                 |                         |                         |
| DMC Employees Co-op Stores Limited                                                                                                                                                                                                 | ((2500))                | ((2500))                |
| <b>Government or Trust Securities (Unquoted)</b>                                                                                                                                                                                   |                         |                         |
| National Saving Certificates                                                                                                                                                                                                       | ((2000))                | ((2000))                |
|                                                                                                                                                                                                                                    | <b>444.16</b>           | <b>462.09</b>           |
| Aggregate amount of quoted investments and market value thereof                                                                                                                                                                    | 281.77                  | 299.17                  |
| Aggregate amount of unquoted investments                                                                                                                                                                                           | 162.39                  | 162.92                  |
| Aggregate amount of impairment in value of investments                                                                                                                                                                             | 0.00                    | 0.00                    |
| * Figures less than Rs. Fifty thousand which are required to be shown separately have been shown at actual in double brackets.                                                                                                     |                         |                         |
| <b>5 (ii). Loans</b>                                                                                                                                                                                                               |                         |                         |
| (Unsecured, considered good unless stated otherwise)                                                                                                                                                                               |                         |                         |
| Employee and other advances                                                                                                                                                                                                        | 0.05                    | 23.76                   |
|                                                                                                                                                                                                                                    | <b>0.05</b>             | <b>23.76</b>            |
| <b>5 (iii). Others</b>                                                                                                                                                                                                             |                         |                         |
| Fixed deposits with banks (earmarked)                                                                                                                                                                                              | 0.38                    | 0.43                    |
| (with remaining maturity of more than 12 months)                                                                                                                                                                                   |                         |                         |
| Security deposits                                                                                                                                                                                                                  |                         |                         |
| Considered good                                                                                                                                                                                                                    | 2.12                    | 2.11                    |
| Considered doubtful                                                                                                                                                                                                                | 0.28                    | 0.28                    |
| Less : Allowance for bad and doubtful advances                                                                                                                                                                                     | 0.28                    | 0.00                    |
|                                                                                                                                                                                                                                    | <b>2.50</b>             | <b>2.54</b>             |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 6. Income Tax Assets (Net)

(Rs. in crores)

|                           | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Pre paid Taxes            | 219.16                  | 163.15                  |
| Less: Provision for taxes | (209.19)                | (159.80)                |
|                           | <b>9.97</b>             | <b>3.35</b>             |

### 7. Other non current assets

(Rs. in crores)

|                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good unless stated otherwise) |                         |                         |
| Capital advances                                     | 14.78                   | 19.46                   |
| Advances other than capital advances                 | 1.62                    | 1.14                    |
| Balances with Government departments under protest   | 1.76                    | 1.05                    |
|                                                      | <b>18.16</b>            | <b>21.65</b>            |

### 8. Inventories

(Rs. in crores)

|                                                                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| (Refer Note No. 3(J))(As taken, valued and certified by the management)           |                         |                         |
| Raw materials                                                                     | 76.46                   | 29.44                   |
| Work in progress                                                                  | 14.28                   | 13.05                   |
| Finished goods (including by-products and goods in transit) * (Refer Note no.36)@ | 1107.67                 | 1303.73                 |
| Stock in trade                                                                    | 6.50                    | 0.00                    |
| Stores, spare & others#                                                           | 37.48                   | 28.81                   |
|                                                                                   | <b>1242.39</b>          | <b>1375.03</b>          |

\* after considering write down of NIL (Rs. 35.27 Cr) in the value of inventory of sugar to it's net realizable value.

Note: Inventory is hypothecated as first pari passu charge of bankers for working capital.

#net of provision for non moving inventory Rs. 2.84 Cr (Rs. 3.52 Cr)

@includes material in transit Rs. 6.96 Cr (Rs. 2.36 Cr)

### 9. Current financial assets

#### 9 (i). Investments

(Rs. in crores)

|                                                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| <b>Investment in mutual funds (quoted)</b>                      |                         |                         |
| (Carried at Fair Value through profit and loss)                 |                         |                         |
| Debt based schemes                                              | 104.27                  | 101.39                  |
| <b>Total</b>                                                    | <b>104.27</b>           | <b>101.39</b>           |
| Aggregate amount of quoted investments and market value thereof | 104.27                  | 101.39                  |
| Aggregate amount of unquoted investments                        | 0.00                    | 0.00                    |
| Aggregate amount of impairment in value of investments          | 0.00                    | 0.00                    |

#### 9 (ii). Trade receivables

(Rs. in crores)

|                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good | 166.54                  | 115.26                  |
|                            | <b>166.54</b>           | <b>115.26</b>           |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 9. Current financial assets (Cont.)

#### Trade Receivable ageing shedule as at 31.03.2022

| Particulars                                                                        | Outstanding for following periods from due date of payments |                   |                   |           |           |                  | Total  |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------|-------------------|-----------|-----------|------------------|--------|
|                                                                                    | Not Due                                                     | Less than 6months | 6 month to 1 year | 1-2 years | 2-3 years | More than 3years |        |
| (i) Undisputed Trade receivables- considered good                                  | 124.34                                                      | 32.66             | 4.86              | 3.62      | 0.00      | 0.79             | 166.27 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk |                                                             |                   |                   |           |           |                  |        |
| (iii) Undisputed Trade Receivables- credit impaired                                |                                                             |                   |                   |           |           |                  |        |
| (iv) Disputed Trade receivables- considered good                                   |                                                             |                   |                   |           |           | 0.27             | 0.27   |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    |                                                             |                   |                   |           |           |                  |        |
| (vi) Disputed Trade Receivables- Credit impaired                                   |                                                             |                   |                   |           |           |                  |        |

#### Trade Receivable ageing shedule as at 31.03.2021

| Particulars                                                                        | Outstanding for following periods from due date of payments |                   |                   |           |           |                  | Total  |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------|-------------------|-----------|-----------|------------------|--------|
|                                                                                    | Not Due                                                     | Less than 6months | 6 month to 1 year | 1-2 years | 2-3 years | More than 3years |        |
| (i) Undisputed Trade receivables- considered good                                  | 51.38                                                       | 51.52             | 10.14             | 1.01      | 0.12      | 0.81             | 114.99 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk |                                                             |                   |                   |           |           |                  |        |
| (iii) Undisputed Trade Receivables- credit impaired                                |                                                             |                   |                   |           |           |                  |        |
| (iv) Disputed Trade receivables- considered good                                   |                                                             |                   |                   |           |           | 0.27             | 0.27   |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    |                                                             |                   |                   |           |           |                  |        |
| (vi) Disputed Trade Receivables- Credit impaired                                   |                                                             |                   |                   |           |           |                  |        |

#### 9 (iii). Cash and cash equivalents

(Rs. in crores)

|                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Cash on hand       | 0.18                    | 0.17                    |
| Balance with banks | 94.03                   | 70.83                   |
|                    | <b>94.21</b>            | <b>71.00</b>            |

#### 9 (iv). Bank balances other than cash & cash equivalents

(Rs. in crores)

|                                                                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
| - Deposits with original maturity of more than 3 months but less than 12 months* | 8.40                    | 7.73                    |
| - Earmarked balances with banks (Unpaid dividend accounts)                       | 0.89                    | 0.76                    |
|                                                                                  | <b>9.29</b>             | <b>8.49</b>             |

\*including earmarked balances of Rs. 0.90 Cr (Rs. 0.66 Cr) on account of molasses fund

#### 9 (v). Loans

(Rs. in crores)

|                                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b>              | 0.00                    | 1.50                    |
| Loans to related parties (Refer note no. 44(a))* |                         |                         |
| Others                                           | 0.31                    | 0.43                    |
| Loans to employees                               |                         |                         |
|                                                  | <b>0.31</b>             | <b>1.93</b>             |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 9. Current financial assets (Cont.)

#### Detail of Loan which are repayable on demand

| *Type of Borrower      | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of Loans |
|------------------------|-------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Related Parties</b> |                                                             |                                                                   |
| FY 2021-22             | 0.00                                                        | -                                                                 |
| FY 2020-21             | 1.50                                                        | 100%                                                              |

#### 9 (vi). Others

(Rs. in crores)

|                                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b>               |                         |                         |
| Interest receivable                               | 0.23                    | 0.30                    |
| Buffer subsidy and Interest subvention receivable | 7.45                    | 26.00                   |
| Unbilled revenue*                                 | 15.43                   | 17.12                   |
| Others                                            | 0.12                    | 0.22                    |
|                                                   | <b>23.23</b>            | <b>43.64</b>            |

\* Represent Bills for the last month of FY 2021-22 and Fy2020-21 which is subsequently billed in next month.

#### 10. Other current assets

(Rs. in crores)

|                                                                        | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b>                                    |                         |                         |
| Advances other than capital advances                                   |                         |                         |
| Production/Export Subsidy Receivable                                   | 5.62                    | 84.20                   |
| Deposit and Balances with Government departments and other authorities | 30.31                   | 8.85                    |
| Other advances                                                         | 7.72                    | 18.60                   |
|                                                                        | <b>43.65</b>            | <b>111.65</b>           |

#### 11. Equity Share capital

(Rs. in crores)

|                                                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised :</b>                                                 |                         |                         |
| 11,47,26,820 (11,47,26,820) Ordinary equity shares of Rs. 2/- each  | 22.95                   | 22.95                   |
| 8,52,73,180 (8,52,73,180) Unclassified equity shares of Rs 2/- each | 17.05                   | 17.05                   |
|                                                                     | <b>40.00</b>            | <b>40.00</b>            |
| <b>Issued, Subscribed and Fully Paid Up :</b>                       |                         |                         |
| 8,09,39,303 (8,09,39,303) ordinary equity shares of Rs. 2/- each    | 16.19                   | 16.19                   |
|                                                                     | <b>16.19</b>            | <b>16.19</b>            |

#### (a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

|                              | As at March 31, 2022 |              | As at March 31, 2021 |              |
|------------------------------|----------------------|--------------|----------------------|--------------|
|                              | No. of Shares        | Rs Crores    | No. of Shares        | Rs Crores    |
| At the beginning of the year | 8,09,39,303          | 16.19        | 8,09,39,303          | 16.19        |
| Changes during the year      | -                    | -            | -                    | -            |
| At the end of the year       | <b>8,09,39,303</b>   | <b>16.19</b> | <b>8,09,39,303</b>   | <b>16.19</b> |

#### (b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of Rs.2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 11. Equity Share capital (Cont.)

#### (c) Details of shareholders holding more than 5% shares in the company

|                                                          | As at March 31, 2022 |           | As at March 31, 2021 |           |
|----------------------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                                          | No. of Shares        | % Holding | No. of Shares        | % Holding |
| <b>Ordinary Equity shares of Rs.2 each fully paid up</b> |                      |           |                      |           |
| Samagama Holdings and Commercial Private Limited         | 3,58,76,223          | 44.32%    | 3,58,75,223          | 44.32%    |
| Dalmia Bharat Limited                                    | 1,48,29,764          | 18.32%    | 1,48,29,764          | 18.32%    |
| Vanika Commercial and Holdings Private Limited.          | 86,87,305            | 10.73%    | 86,87,305            | 10.73%    |

As per records of the company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### (d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.- Nil

#### (e) Shareholding patterns of Promoters:-

|                                                     | As at March 31, 2022 |                |                        |              | As at March 31, 2021 |                |
|-----------------------------------------------------|----------------------|----------------|------------------------|--------------|----------------------|----------------|
|                                                     | No. of Shares        | % Shareholding | Change during the year | % Change     | No. of Shares        | % Shareholding |
| Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)        | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Smt Kavita Dalmia                                   | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| Shri Gautam Dalmia                                  | 1,51,990             | 0.19%          | -                      | -            | 1,51,990             | 0.19%          |
| Smt. Anupama Dalmia                                 | 11,250               | 0.01%          | -                      | -            | 11,250               | 0.01%          |
| Smt. Sukeshi Dalmia                                 | 37,180               | 0.05%          | -                      | -            | 37,180               | 0.05%          |
| Smt. Vaidehi Dalmia                                 | 37,180               | 0.05%          | -                      | -            | 37,180               | 0.05%          |
| Smt. Bela Dalmia                                    | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| ALIROX ABRASIVES LIMITED                            | 1,20,360             | 0.15%          | -                      | -            | 1,20,360             | 0.15%          |
| HIMGIRI COMMERCIAL LTD                              | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| VALLEY AGRO INDUSTRIES LIMITED                      | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| KESHAV POWER LIMITED                                | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| SHREE NIRMAN LIMITED                                | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| VANIKA COMMERCIAL AND HOLDINGS PRIVATE LIMITED      | 86,87,305            | 10.73%         | -                      | -            | 86,87,305            | 10.73%         |
| SAMAGAMA HOLDINGS AND COMMERCIAL PRIVATE LIMITED    | 3,58,76,223          | 44.32%         | 1,000                  | 0.001%       | 3,58,75,223          | 44.32%         |
| Dalmia Refractories Limited                         | -                    | 0.00%          | (1,000)                | -0.001%      | 1,000                | 0.001%         |
| Dalmia Bharat Limited                               | 1,48,29,764          | 18.32%         | -                      | -            | 1,48,29,764          | 18.32%         |
| Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Shri Brahma Creation Trust                          | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Y.H. Dalmia Parivar Trust                           | 3,27,630             | 0.40%          | -                      | -            | 3,27,630             | 0.40%          |
| J.H. Dalmia                                         | -                    | 0.00%          | (5,55,175)             | -0.69%       | 5,55,175             | 0.69%          |
| J.H. Dalmia Trust                                   | 5,55,175             | 0.69%          | 5,55,175               | 0.69%        | -                    | 0.00%          |
| <b>Total Promoter's shareholding</b>                | <b>6,06,34,122</b>   | <b>74.91%</b>  | <b>-</b>               | <b>0.00%</b> | <b>6,06,34,122</b>   | <b>74.91%</b>  |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 11. Equity Share capital (Cont.)

#### Shareholding patterns of Promoters:-

|                                                     | As at 31st March 2021 |                |                        |              | As at 31st March 2020 |                |
|-----------------------------------------------------|-----------------------|----------------|------------------------|--------------|-----------------------|----------------|
|                                                     | No. of Shares         | % Shareholding | Change during the year | % Change     | No. of Shares         | % Shareholding |
| Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)        | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| Smt Kavita Dalmia                                   | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| Shri Gautam Dalmia                                  | 1,51,990              | 0.19%          | -                      | -            | 1,51,990              | 0.19%          |
| Smt. Anupama Dalmia                                 | 11,250                | 0.01%          | -                      | -            | 11,250                | 0.01%          |
| Smt. Sukeshi Dalmia                                 | 37,180                | 0.05%          | -                      | -            | 37,180                | 0.05%          |
| Smt. Vaidehi Dalmia                                 | 37,180                | 0.05%          | -                      | -            | 37,180                | 0.05%          |
| Smt. Bela Dalmia                                    | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| ALIROX ABRASIVES LIMITED                            | 1,20,360              | 0.15%          | -                      | -            | 1,20,360              | 0.15%          |
| HIMGIRI COMMERCIAL LTD                              | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| VALLEY AGRO INDUSTRIES LIMITED                      | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| KESHAV POWER LIMITED                                | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| SHREE NIRMAN LIMITED                                | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| VANIKA COMMERCIAL AND HOLDINGS PRIVATE LIMITED      | 86,87,305             | 10.73%         | -                      | -            | 86,87,305             | 10.73%         |
| SAMAGAMA HOLDINGS AND COMMERCIAL PRIVATE LIMITED    | 3,58,75,223           | 44.32%         | -                      | -            | 3,58,75,223           | 44.32%         |
| Dalmia Refractories Limited                         | 1,000                 | 0.001%         | -                      | -            | 1,000                 | 0.001%         |
| Dalmia Bharat Limited                               | 1,48,29,764           | 18.32%         | -                      | -            | 1,48,29,764           | 18.32%         |
| Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| Shri Brahma Creation Trust                          | 10                    | 0.00%          | (3,27,630)             | -100.00%     | 3,27,640              | 0.40%          |
| Y.H. Dalmia Parivar Trust                           | 3,27,630              | 0.40%          | 3,27,630               | 100.00%      | 0.00                  | 0.00%          |
| J.H. Dalmia                                         | 5,55,175              | 0.69%          | -                      | -            | 5,55,175              | 0.69%          |
| J.H. Dalmia Trust                                   | -                     | 0.00%          | -                      | -            | -                     | 0.00%          |
| <b>Total Promoter's shareholding</b>                | <b>6,06,34,122</b>    | <b>74.91%</b>  | <b>-</b>               | <b>0.00%</b> | <b>6,06,34,122</b>    | <b>74.91%</b>  |

### 12. Other Equity

(Rs. in crores)

|                                                  | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------------------|----------------------|----------------------|
| <b>Reserve &amp; Surplus</b>                     |                      |                      |
| <b>Capital reserve</b>                           |                      |                      |
| Opening balance as per last financial statements | 4.07                 | 4.07                 |
| Changes during the year                          | 0.00                 | 0.00                 |
| Closing balance                                  | <b>4.07</b>          | <b>4.07</b>          |





## Notes to Standalone Financial Statements for the year ended March 31, 2022

|                                                                             |                |                |
|-----------------------------------------------------------------------------|----------------|----------------|
| <b>General reserve</b>                                                      |                |                |
| Opening balance as per last financial statements                            | 52.54          | 52.54          |
| Add:- Amount transferred from surplus balance in statement of profit & loss | 0.00           | 0.00           |
| Closing balance                                                             | <b>52.54</b>   | <b>52.54</b>   |
| <b>Retained earnings</b>                                                    |                |                |
| Balance as per last financial statements                                    | 1737.16        | 1467.66        |
| Profit for the year                                                         | 293.64         | 269.50         |
| Less: appropriations                                                        |                |                |
| (i) Transfer to general reserve                                             | 0.00           | 0.00           |
| (ii) Final/Interim dividend on ordinary shares *                            | (48.55)        | 0.00           |
| <b>Total appropriations</b>                                                 | <b>(48.55)</b> | <b>0.00</b>    |
| <b>Closing balance</b>                                                      | <b>1982.25</b> | <b>1737.16</b> |
| <b>Total reserves and surplus</b>                                           | <b>2038.86</b> | <b>1793.77</b> |
| <b>Other Comprehensive Income</b>                                           |                |                |
| <b>Opening Balance</b>                                                      | 279.79         | 68.06          |
| Addition/(reduction) during the year                                        | (20.50)        | 211.73         |
| Closing Balance                                                             | <b>259.28</b>  | <b>279.79</b>  |
| <b>Total Other Equity</b>                                                   | <b>2298.14</b> | <b>2073.55</b> |

### \* Dividend distribution made and proposed (Rs. in crores)

|                                                                                                                                                                                              | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Cash dividends on equity shares declared and paid :</b>                                                                                                                                   |                                 |                                 |
| Final dividend for year ended March 31, 2021: Rs. 3 per share (March 31, 2020: Rs. Nil per share)                                                                                            | 24.28                           | -                               |
| Interim dividends for the year ended on March 31, 2022: Rs. 3 per share (March 31, 2021: Rs. Nil per share)                                                                                  | 24.28                           | -                               |
|                                                                                                                                                                                              | 48.55                           | -                               |
| <b>Proposed dividends on equity shares:</b>                                                                                                                                                  |                                 |                                 |
| Final dividend for the year ended on March 31, 2022: Rs. 1 per share (March 31, 2021: Rs. 3 per share) subject to approval of shareholders and not recognised as liability in the Financials | 8.09                            | 24.28                           |
|                                                                                                                                                                                              | 8.09                            | 24.28                           |

- Capital Reserve majorly comprises of reserve created consequent to slump purchase of plants in Ninaidevi & Kolhapur units.
- Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act , 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Other Comprehensive Income includes fair valuation of equity instruments, retirement benefits and profits and losses on account of cash flow hedge for unexecuted contracts.

## 13. Non current financial liabilities

### 13 (i). Borrowings

(Rs. in crores)

|                                                           |        | <b>As at<br/>March 31, 2022</b> |        | <b>As at<br/>March 31, 2021</b> |
|-----------------------------------------------------------|--------|---------------------------------|--------|---------------------------------|
| <b>Secured</b>                                            |        |                                 |        |                                 |
| Term loans:                                               |        |                                 |        |                                 |
| i. From banks                                             |        |                                 |        |                                 |
| Less: Shown in current maturities of long term borrowings | 319.11 |                                 | 162.98 |                                 |
|                                                           | 22.81  | 296.30                          | 8.93   | 154.05                          |
| ii. From other parties (including Government)             |        |                                 |        |                                 |
| Less: Shown in current maturities of long term borrowings | 72.59  |                                 | 105.64 |                                 |
|                                                           | 31.68  | 40.91                           | 33.05  | 72.59                           |
| (Refer note no. 17(i) for current maturities)             |        | 337.21                          |        | 226.64                          |

(Rs. in crores)

| <b>S.<br/>No.</b>                                               | <b>As at 31st,<br/>March 2022</b> | <b>As at 31st,<br/>March 2021</b> | <b>Fixed/<br/>Fluctuating<br/>interest rate</b> | <b>Rate of interest</b>                |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------|----------------------------------------|
| <b>Non Current Borrowings</b>                                   |                                   |                                   |                                                 |                                        |
| <b>A) From Bank</b>                                             |                                   |                                   |                                                 |                                        |
| a) Axis Bank for capital expenditure                            | -                                 | 64.15                             | Fluctuating                                     | One year MCLR+0.75%, Presently 7.50%   |
| b) HDFC Term Loan for Nigohi Distillery                         | 45.00                             | 50.00                             | Fluctuating                                     | 60bps over 1year MCLR,Presently 7.20%  |
| c) HDFC Term Loan for Jawaharpur Distillery Expansion           | 9.75                              | 10.83                             | Fluctuating                                     | 60 bps over 1year MCLR,Presently 7.20% |
| d) HDFC Term Loan for Jawaharpur Distillery Incineration Boiler | 36.10                             | 38.00                             | Fluctuating                                     | 60 bps over 1year MCLR,Presently 7.20% |
| e) HDFC Term Loan for Ramgarh Distillery                        | 103.64                            | 0.00                              | Fluctuating                                     | Repo Rate + 2.38%,Presently 6.38%      |
| f) HDFC Term Loan for Jawaharpur Distillery Expansion           | 45.85                             | 0.00                              | Fluctuating                                     | Repo Rate + 2.38%,Presently 6.38%      |
| g) HDFC Term Loan for Jawaharpur Grain Distillery Expansion     | 29.98                             | 0.00                              | Fluctuating                                     | 3 Months T Bill rate, Presently 7%     |
| h) HDFC Term Loan for Kolhapur Distillery Expansion             | 21.75                             | 0.00                              | Fluctuating                                     | Repo Rate + 2.38%,Presently 6.38%      |
| i) HDFC Term Loan for Nigohi Distillery Expansion               | 27.38                             | 0.00                              | Fluctuating                                     | Repo Rate + 2.38%,Presently 6.38%      |
| Notional reduction in loan balances due to IND AS adjustments   | (0.34)                            | 0.00                              |                                                 |                                        |
| <b>Total</b>                                                    | <b>319.11</b>                     | <b>162.98</b>                     |                                                 |                                        |
| <b>B) From Others</b>                                           |                                   |                                   |                                                 |                                        |
| a) Sugar Development Fund Loans                                 | 11.46                             | 18.18                             | Fixed                                           | 4.75% to 5.75%                         |
| b) Soft loan from UP Government (SEFASU 2018 Scheme)            | 65.03                             | 95.04                             | Fixed                                           | 5% Simple Interest                     |
| Notional reduction in loan balances due to IND AS adjustments   | (3.90)                            | (7.58)                            |                                                 |                                        |
| <b>Total</b>                                                    | <b>72.59</b>                      | <b>105.64</b>                     |                                                 |                                        |
| <b>G Total</b>                                                  | <b>391.70</b>                     | <b>268.62</b>                     |                                                 |                                        |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### Non current financial liabilities (Cont.)

#### Nature of securities, Interest & repayment terms.

##### A) Details of Loans taken from Banks:-

- Axis Bank Term Loan was secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting 31st March 2018.
- HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of Ethanol Plant at Nigohi payable in 40 equal quarterly installments starting from May'21.
- HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable and immovable fixed asset of Ethanol Plant at Jawaharpur payable in 40 equal quarterly installments starting from May'21.
- HDFC Bank Term Loan for Jawaharpur distillery incineration boiler is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Jawaharpur payable in 40 equal quarterly installments starting from Dec'22.
- HDFC Bank Term Loan for Ramgarh distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Ramgarh payable in 36 equal quarterly installments starting from Dec'22.
- HDFC Bank Term Loan for Jawaharpur distillery expansion is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Jawaharpur payable in 36 equal quarterly installments starting from Dec'22.
- HDFC Bank Term Loan for Jawaharpur grain distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of Grain Ethanol Plant at Jawaharpur payable in 36 equal quarterly installments starting from March'23.
- HDFC Bank Term Loan for Kolhapur distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Kolhapur payable in 36 equal quarterly installments starting from Dec'22.
- HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Nigohi payable in 36 equal quarterly installments starting from Sep'22.

##### B) Details of Loans taken from entities other than banks:-

- Sugar Development Fund (SDF) loans are secured by guarantees given by banks on behalf of the company and are repayable in unequal structured installments.
- SEFASU 2018 term loan is secured by first pari passu charge on movable and immovable fixed assets of Ramgarh, Jawaharpur and Nigohi sugar units.

Note:- Term loan raised during the year has been used for same purpose it was availed.

| 13 (ii). Others (Rs. in crores) |                         |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Carried at amortised cost:-     |                         |                         |
| Other liabilities               | 3.19                    | 3.24                    |
|                                 | <b>3.19</b>             | <b>3.24</b>             |

| 14. Non current provisions (Rs. in crores) |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Provision for employee benefits            | 38.73                   | 33.11                   |
|                                            | <b>38.73</b>            | <b>33.11</b>            |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2022 and movement during the year 2021-22. (Rs. in crores)

|                                                              | As at<br>March 31, 2022 | Recognised in<br>statement of<br>profit & loss/MAT<br>credit utilized | Recognised<br>in other<br>comprehensive<br>income | As at<br>March 31, 2021 |
|--------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------|---------------------------------------------------|-------------------------|
| Property, plant & equipment including fair valuation of land | 223.81                  | (11.18)                                                               |                                                   | 234.99                  |
| Others                                                       | 9.50                    | (2.18)                                                                |                                                   | 11.67                   |
| Expenses allowed on payment basis                            | (11.62)                 | (0.13)                                                                | (2.79)                                            | (8.70)                  |
| MAT Credit Entitlement                                       | (61.75)                 | 35.23                                                                 |                                                   | (96.98)                 |
| <b>Net Deferred tax liability / (asset)</b>                  | <b>159.94</b>           | <b>21.74</b>                                                          | <b>(2.79)</b>                                     | <b>140.98</b>           |

B) Major components of deferred tax liabilities as on 31 March 2021 and movement during the year 2020-21. (Rs. in crores)

|                                                              | As at<br>March 31, 2021 | Recognised in<br>statement of<br>profit & loss | Recognised<br>in other<br>comprehensive<br>income | As at<br>April 01, 2020 |
|--------------------------------------------------------------|-------------------------|------------------------------------------------|---------------------------------------------------|-------------------------|
| Property, plant & equipment including fair valuation of land | 234.99                  | (2.38)                                         |                                                   | 237.37                  |
| Others                                                       | 11.67                   | 1.29                                           |                                                   | 10.37                   |
| Expenses allowed on payment basis                            | (8.70)                  | (2.23)                                         | 9.96                                              | (16.43)                 |
| MAT Credit Entitlement                                       | (96.98)                 | 32.63                                          |                                                   | (129.61)                |
| <b>Net Deferred tax liability / (asset)</b>                  | <b>140.98</b>           | <b>29.31</b>                                   | <b>9.96</b>                                       | <b>101.70</b>           |

### 16. Other non current liabilities (Rs. in crores)

|                                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------|-------------------------|-------------------------|
| Government Grant                                 | 4.67                    | 8.52                    |
| (Refer note no. 40 for movement during the year) | <b>4.67</b>             | <b>8.52</b>             |

### 17. Current financial liabilities

#### 17 (i). Borrowings (Rs. in crores)

|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                             |                         |                         |
| <b>loans from banks</b>                    |                         |                         |
| Working capital/short term loans           | 425.00                  | 590.00                  |
| Cash credit                                | 1.81                    | 0.09                    |
| Current maturities of long term borrowings | 54.49                   | 41.99                   |
| <b>Unsecured, from others</b>              |                         |                         |
| Commercial Papers                          | 0.00                    | 99.18                   |
|                                            | <b>481.30</b>           | <b>731.26</b>           |

- Working capital Loan/short term loan and cash credit are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 4.0% to 4.5%.
- Commercial Papers issued were repayable during next one year and carry interest in the range of 4.50%.
- Quarterly drawing power/Current asset statements as submitted with bank is within the limits derived as per quarterly financial numbers and actual borrowings at each quarter end is lower than the drawing power limit submitted with banks.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 17. Current financial liabilities (Cont.)

#### 17 (ii). Trade payables

(Rs. in crores)

|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Trade Payables                  |                         |                         |
| - Micro and small enterprises * | 0.55                    | 2.66                    |
| - Others                        | 260.63                  | 265.82                  |
|                                 | <b>261.18</b>           | <b>268.48</b>           |

#### Trade payables ageing schedule:-

| Detail of Dues             | Trade Payable ageing shedule as at 31.03.2022               |         |                  |           |           |                   |        |
|----------------------------|-------------------------------------------------------------|---------|------------------|-----------|-----------|-------------------|--------|
|                            | Outstanding for following periods from due date of payments |         |                  |           |           |                   | Total  |
|                            | Unbilled                                                    | Not Due | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |        |
| (i) MSME                   |                                                             | 0.55    |                  |           |           |                   | 0.55   |
| (ii) Others                |                                                             | 49.75   | 185.91           | 0.49      | 0.52      | 23.96             | 260.63 |
| (iii) Disputed dues- MSME  |                                                             |         |                  |           |           |                   | 0.00   |
| (iv) Disputed dues- Others |                                                             |         |                  |           |           |                   | 0.00   |

| Particulars                | Trade Payable ageing shedule as at 31.03.2021               |         |                  |           |           |                   |        |
|----------------------------|-------------------------------------------------------------|---------|------------------|-----------|-----------|-------------------|--------|
|                            | Outstanding for following periods from due date of payments |         |                  |           |           |                   | Total  |
|                            | Unbilled                                                    | Not Due | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |        |
| (i) MSME                   |                                                             | 2.66    |                  |           |           |                   | 2.66   |
| (ii) Others                |                                                             | 32.30   | 209.04           | 0.52      | 0.25      | 23.71             | 265.82 |
| (iii) Disputed dues- MSME  |                                                             |         |                  |           |           |                   | 0.00   |
| (iv) Disputed dues- Others |                                                             |         |                  |           |           |                   | 0.00   |

Note:- Trade payable more than 3 years includes liability provided for in books of account on account of society commission matter pending under litigation.

\* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.

(refer note no. 35)

#### 17 (iii). Other financial liabilities

(Rs. in crores)

|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------|-------------------------|-------------------------|
| Interest accrued but not due on borrowings | 6.21                    | 6.93                    |
| Unclaimed dividend *                       | 0.89                    | 0.76                    |
| Others:-                                   |                         |                         |
| Accrued salaries & benefits                | 3.45                    | 3.49                    |
| Capital Creditors                          | 30.45                   | 10.05                   |
| Security deposits received                 | 2.18                    | 3.69                    |
| Others                                     | 41.35                   | 41.10                   |
|                                            | <b>84.53</b>            | <b>66.02</b>            |

\* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 18. Other current liabilities

(Rs. in crores)

|                                                                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Advances from customers                                            | 4.35                    | 14.61                   |
| Statutory dues                                                     | 7.23                    | 7.55                    |
| Government grant (refer note no. 40 for movement during the year.) | 3.80                    | 3.80                    |
| Others                                                             | 19.41                   | 39.88                   |
|                                                                    | <b>34.79</b>            | <b>65.84</b>            |

### 19. Provisions (current)

(Rs. in crores)

|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | 6.04                    | 5.63                    |
|                                 | <b>6.04</b>             | <b>5.63</b>             |

### 20. Revenue from operations

(Rs. in crores)

|                                                          | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue from contracts with customers</b>             |                                      |                                      |
| Sugar and allied products                                | 2065.62                              | 1908.11                              |
| Power                                                    | 106.27                               | 140.58                               |
| Distillery                                               | 697.73                               | 437.60                               |
| Others                                                   | 11.74                                | 8.18                                 |
|                                                          | <b>2881.36</b>                       | <b>2494.47</b>                       |
| <b>Sale of traded goods</b>                              | 33.03                                | 0.00                                 |
| <b>Sales of services</b>                                 | 1.11                                 | 0.51                                 |
| <b>Other Operating Revenue</b>                           |                                      |                                      |
| REC Sales                                                | 3.48                                 | 0.48                                 |
| Export Subsidy by Central Government (refer note no. 40) | 98.37                                | 189.66                               |
| Others                                                   | 0.90                                 | 0.45                                 |
|                                                          | <b>3018.25</b>                       | <b>2685.57</b>                       |

#### Notes: Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

|                                                                                                                       |                |                |
|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Revenue as per contract price                                                                                         | 2917.90        | 2494.98        |
| Less: Discounts and incentives                                                                                        | (2.40)         | 0.00           |
| <b>Revenue from contracts with customers</b>                                                                          | <b>2915.50</b> | <b>2494.98</b> |
| <b>Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss:</b> |                |                |
| Total net revenue from contracts from customers                                                                       | 2915.50        | 2494.98        |
| <b>Add: items not included in disaggregated revenue:</b>                                                              |                |                |
| other operating revenue                                                                                               | 102.75         | 190.59         |
| <b>Revenue as per the statement of profit and loss</b>                                                                | <b>3018.25</b> | <b>2685.57</b> |





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 21. Other income

(Rs. in crores)

|                                                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Dividend income from non current investment                        | 1.01                                 | 0.00                                 |
| Interest Income from bank deposits and others                      | 2.03                                 | 9.43                                 |
| Profit on sale of current investments                              | 3.80                                 | 12.13                                |
| Profit on changes in Fair valuation of investments (net of losses) | 4.45                                 | 4.58                                 |
| Gain on foreign exchange fluctuation (net of losses)               | 0.38                                 | 0.00                                 |
| Government Grant (refer note no. 40)                               | 5.52                                 | 16.77                                |
| Balances & provisions written back                                 | 35.56                                | 2.17                                 |
| Reversal of provision for doubtful debts                           | 0.16                                 | 0.00                                 |
| Reversal of provision for non moving inventory                     | 0.68                                 | 0.00                                 |
| Miscellaneous receipts                                             | 8.32                                 | 8.28                                 |
|                                                                    | <b>61.91</b>                         | <b>53.36</b>                         |

### 22. Cost of raw materials consumed

(Rs. in crores)

|                          | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------|--------------------------------------|--------------------------------------|
| Sugar Cane & Molasses    | 1923.64                              | 1864.42                              |
| Raw Magnesite            | 1.47                                 | 8.11                                 |
| Others                   | 2.75                                 | 1.26                                 |
|                          | <b>1927.86</b>                       | <b>1873.79</b>                       |
| Purchase of traded goods | 17.10                                | 0.00                                 |
|                          | <b>17.10</b>                         | <b>0.00</b>                          |

### 23. Changes in inventories of finished goods, work in progress

(Rs. in crores)

|                       | For the year ended March 31,<br>2022 |               | For the year ended March 31,<br>2021 |                |
|-----------------------|--------------------------------------|---------------|--------------------------------------|----------------|
| (Refer Note No. 3(j)) |                                      |               |                                      |                |
| Finished goods        |                                      |               |                                      |                |
| - Closing stock       | 1107.67                              |               | 1303.70                              |                |
| - Opening stock       | 1303.70                              |               | 1258.91                              |                |
|                       |                                      | <b>196.03</b> |                                      | <b>(44.79)</b> |
| Work-in-process       |                                      |               |                                      |                |
| - Closing stock       | 14.28                                |               | 13.03                                |                |
| - Opening stock       | 13.03                                |               | 12.65                                |                |
|                       |                                      | <b>(1.25)</b> |                                      | <b>(0.38)</b>  |
| Stock in trade        |                                      |               |                                      |                |
| - Closing stock       | 6.50                                 |               | 0.00                                 |                |
| - Opening stock       | 0.00                                 |               | 0.00                                 |                |
|                       |                                      | <b>(6.50)</b> |                                      | <b>0.00</b>    |
|                       |                                      | <b>188.28</b> |                                      | <b>(45.17)</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 24. Employee benefits expense

(Rs. in crores)

|                                                     | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages, bonus and other payments           | 159.22                               | 128.89                               |
| Contribution to provident fund and other funds      | 12.30                                | 11.42                                |
| Workmen and staff welfare expenses                  | 4.54                                 | 2.64                                 |
|                                                     | 176.06                               | 142.95                               |
| Less: Employee cost capitalised (refer note no. 43) | 0.43                                 | 0.00                                 |
|                                                     | <b>175.63</b>                        | <b>142.95</b>                        |

### 25. Finance Costs

(Rs. in crores)

|                                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest                                           |                                      |                                      |
| - On term loans, WCDL & commercial papers          | 33.82                                | 58.92                                |
| - On other borrowing from banks                    | 0.10                                 | 0.06                                 |
| Other borrowing costs                              | 1.74                                 | 2.84                                 |
| Interest on Statutory dues                         | 0.04                                 | 0.04                                 |
|                                                    | <b>35.70</b>                         | <b>61.86</b>                         |
| Less: Interest cost capitalised(refer note no.43 ) | 0.88                                 | 0.00                                 |
|                                                    | <b>34.82</b>                         | <b>61.86</b>                         |

### 26. Depreciation and amortization expenses

(Rs. in crores)

|                                              | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on property plant and equipment | 94.62                                | 95.41                                |
| Amortization of intangible assets            | 0.09                                 | 0.14                                 |
|                                              | <b>94.71</b>                         | <b>95.55</b>                         |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 27. Other Expenses

(Rs. in crores)

|                                                                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Power and Fuel                                                                             | 30.70                                | 34.25                                |
| Packing Materials                                                                          | 21.59                                | 24.66                                |
| Consumption of Stores and Spares Parts                                                     | 30.86                                | 21.71                                |
| Repairs and Maintenance :                                                                  |                                      |                                      |
| - Plant & Machinery                                                                        | 42.59                                | 35.93                                |
| - Buildings                                                                                | 1.45                                 | 1.71                                 |
| - Others                                                                                   | 0.52                                 | 0.66                                 |
| Rent                                                                                       | 1.18                                 | 1.93                                 |
| Rates and Taxes                                                                            | 6.74                                 | 6.63                                 |
| Insurance                                                                                  | 4.85                                 | 3.87                                 |
| Travelling                                                                                 | 1.30                                 | 0.37                                 |
| Advertisement and Publicity                                                                | 2.96                                 | 0.21                                 |
| Management Service Charges                                                                 | 18.57                                | 14.65                                |
| Freight and Forwarding Charges (net of recoveries)                                         | 58.93                                | 36.22                                |
| Loss on foreign exchange fluctuation (net of gain)                                         | 0.00                                 | 10.32                                |
| Selling Expenses                                                                           | 11.82                                | 9.05                                 |
| Export facilitation charges                                                                | 7.15                                 | 0.01                                 |
| Commission paid to Other Selling Agents                                                    | 2.32                                 | 3.15                                 |
| Rebates, Discount and Allowances                                                           | 0.07                                 | 0.13                                 |
| Director's Sitting Fees                                                                    | 0.20                                 | 0.15                                 |
| Charity and Donation                                                                       | 0.35                                 | 1.53                                 |
| Assets written off / Loss on sale of Fixed Assets (net of profits on sale of Fixed Assets) | 3.01                                 | 0.12                                 |
| Provision for non moving inventory                                                         | -                                    | 2.50                                 |
| Bad Debts written Off                                                                      | 0.06                                 | 0.13                                 |
| Provision for Doubtful Debts                                                               | -                                    | 0.04                                 |
| Contribution to political parties                                                          | 2.25                                 | 0.00                                 |
| CSR Expenses (refer note no. 44 (e) )                                                      | 4.80                                 | 3.89                                 |
| Miscellaneous Expenses                                                                     | 31.03                                | 27.76                                |
|                                                                                            | <b>285.30</b>                        | <b>241.58</b>                        |
| Less: Expenses Capitalised                                                                 | 1.84                                 | 0.14                                 |
|                                                                                            | <b>283.46</b>                        | <b>241.44</b>                        |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 28. Tax expense

(i) The major components of income tax expense for the financial year 2021-22 &amp; 2020-21 are as follows:-

(Rs. in crores)

|                                                                | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Statement of profit and loss:</b>                           |                                      |                                      |
| Current income tax*                                            | 97.47                                | 101.25                               |
| Deferred tax on timing differences                             | (13.49)                              | (3.31)                               |
| MAT credit entitlement                                         | 0.00                                 | 0.00                                 |
| <b>Total</b>                                                   | <b>83.98</b>                         | <b>97.94</b>                         |
| <b>Other comprehensive income:</b>                             |                                      |                                      |
| Income tax relating to items recognised in OCI during the year | 2.79                                 | (9.95)                               |
|                                                                | <b>2.79</b>                          | <b>(9.95)</b>                        |

\*Income tax adjustments are done in books of accounts on the basis of income tax assessments.

(ii) Reconciliation of deferred tax and accounting profit multiplied by India's domestic tax rate for the year:-

(Rs. in crores)

|                                                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Accounting profits before tax                                     | 377.62                               | 367.44                               |
| Applicable tax rate                                               | 34.944%                              | 34.944%                              |
| Computed tax expense                                              | <b>131.96</b>                        | <b>128.40</b>                        |
| Tax impact on additions of permanent nature                       | 1.28                                 | 1.47                                 |
| Impact of 80IA deduction for tax holiday period                   | (6.07)                               | (38.04)                              |
| Reversal of deferred tax liability due to new regime to be opted# | (42.46)                              | 0.00                                 |
| Others                                                            | (0.73)                               | 6.11                                 |
|                                                                   | <b>83.98</b>                         | <b>97.94</b>                         |

#Pursuant to introduction of section 115BAA of the Income Tax Act, 1961, the domestic companies have option to pay corporate Income tax at reduced rate plus applicable surcharge and cess (New Tax Rate) by foregoing certain exemptions / deduction and minimum alternate tax (MAT) credits. In the year ended March 31,2022, the company has made an assessment of the impact of the same and decided to continue with the existing tax structure until utilization of deductions and accumulated MAT credits. Accordingly, Company has re-measured its deferred tax assets and liabilities.

### 29. Other Comprehensive Income

(Rs. in crores)

|                                                                                  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (A) (i) Items that will not be reclassified to profit/(loss)                     |                                      |                                      |
| Fair valuation of equity instruments                                             | (17.41)                              | 207.00                               |
| Retiral benefits component                                                       | (4.64)                               | (0.39)                               |
| (ii) Income tax relating to items that will not be reclassified to profit/(loss) | 2.48                                 | (4.68)                               |
| (B) (i) Items that will be reclassified to profit/(loss)                         |                                      |                                      |
| Fair value changes on derivatives designated as cash flow hedge                  | (1.23)                               | 15.07                                |
| (ii) Income tax relating to items that will be reclassified to profit/(loss)     | 0.31                                 | (5.27)                               |
|                                                                                  | <b>(20.50)</b>                       | <b>211.73</b>                        |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 30. Earning Per Share

(Rs. in crores)

|                                                                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Continuing operations</b>                                       |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | 295.25                               | 270.20                               |
| Number of equity shares outstanding during the year (weighted average) | 80939303                             | 80939303                             |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | 36.48                                | 33.38                                |
| Diluted                                                                | 36.48                                | 33.38                                |
| <b>(b) Discontinued operation</b>                                      |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | (1.61)                               | (0.70)                               |
| Number of equity shares outstanding during the year (weighted average) | 80939303                             | 80939303                             |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | (0.20)                               | (0.09)                               |
| Diluted                                                                | (0.20)                               | (0.09)                               |
| <b>(c) Continued and Discontinued operations- Combined</b>             |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | 293.64                               | 269.50                               |
| Number of equity shares outstanding during the year (weighted average) | 8,09,39,303                          | 8,09,39,303                          |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | 36.28                                | 33.30                                |
| Diluted                                                                | 36.28                                | 33.30                                |

### 31(i). Assets & Liabilities of disposal group classified as held for sale

(Rs. in crores)

|                                     | As at<br>March 31, 2022 |
|-------------------------------------|-------------------------|
| <b>a) Assets for disposal group</b> |                         |
| a) Property, plant and equipment *  | 26.29                   |
| b) Inventories                      | 1.21                    |
| c) Other current assets             | 0.29                    |
| <b>Total assets</b>                 | <b>27.79</b>            |

\* Property, plant and equipment classified as held for sale during the reporting period were measured at lower of its carrying amount and fair value less costs to sell at the time of reclassification, resulting in recognition of a write down of Rs.NIL. The fair value of the plant and equipment was determined using the market comparison approach.

(Rs. in crores)

|                                          | As at<br>March 31, 2022 |
|------------------------------------------|-------------------------|
| <b>b) Liabilities for disposal group</b> |                         |
| a) Non current provisions                | 0.00                    |
| b) Trade payables                        | 0.02                    |
| c) Other financial liabilities           | 0.18                    |
| <b>Total Liabilities</b>                 | <b>0.20</b>             |

During the year, Board of directors had approved to close the electronic component division, which was virtually non-operational. Profitability of the same has been shown as profits/(losses) from discontinued operations, related assets and liabilities shown under assets and liabilities for disposal group classified as held for sales.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 31(ii) Financial performance and cash flow information

The financial performance and cash flow information presented for the year March 31,2022 and March 31,2021 respectively, is as below:

(Rs. in crores)

|                                                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Financial performance related to discontinued operations:</b>           |                                      |                                      |
| <b>Income</b>                                                              |                                      |                                      |
| Revenue from operations                                                    | 0.05                                 | 0.21                                 |
| Other Income                                                               | 0.01                                 | 0.01                                 |
| <b>Total Income</b>                                                        | <b>0.06</b>                          | <b>0.22</b>                          |
| <b>Expenses</b>                                                            |                                      |                                      |
| Cost of materials consumed                                                 | 0.02                                 | 0.05                                 |
| Purchase of traded goods                                                   | 0.00                                 | 0.00                                 |
| Change in inventories of finished goods, traded goods and work-in-progress | (0.02)                               | 0.03                                 |
| Employees benefits expense                                                 | 2.15                                 | 0.76                                 |
| Finance Cost                                                               | 0.00                                 | 0.00                                 |
| Depreciation and amortisation expense                                      | 0.00                                 | 0.01                                 |
| Reversal of impairment for Property, plant and equipment                   | 0.00                                 | 0.00                                 |
| Other Expenditure                                                          | 0.38                                 | 0.44                                 |
| <b>Tota Expenses</b>                                                       | <b>2.53</b>                          | <b>1.29</b>                          |
| Profit/(loss) before tax                                                   | (2.47)                               | (1.07)                               |
| Tax Expense/(Credit)                                                       | (0.86)                               | (0.37)                               |
| Profit/(loss) from discontinued operations                                 | <b>(1.61)</b>                        | <b>(0.70)</b>                        |

### Cash flow disclosure with respect to Asset held for sale

|                                              |        |        |
|----------------------------------------------|--------|--------|
| Net cash flow from operating activities      | (2.47) | (1.07) |
| Net cash flow (used in) investing activities | 0.00   | 0.00   |
| Net cash flow from financing activities      | 0.00   | 0.00   |

### 32. Contingent Liabilities (not provided for) in respect of:

(Rs. in crores)

| S.N. | Particulars                                                                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------|-------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)   | Claims against the company not acknowledged as debts*                                           | 84.19                   | 84.19                   |
| b)   | Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute | 3.70                    | 3.72                    |
| c)   | Income tax cases                                                                                | 39.87                   | -                       |
| d)   | Guarantee & LC issued by the company's banker on behalf of the company#                         | 54.54                   | 51.70                   |

\* Includes demand of Rs. 79.88 cr raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand & the writ is pending for final disposal.

# Excludes bank guarantees issued by banks on behalf of the company against financial liabilities recognised in the books of account.

i) The company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 33. Capital and other commitments:

(Rs. in crores)

| S.N. | Particulars                                                                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)   | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 73.27                   | 198.64                  |
| b)   | Other Commitments                                                                                                | -                       | -                       |

### 34. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(Rs. in crores)

| S.N. | Particulars                           | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------|---------------------------------------|-------------------------|-------------------------|
|      | <b>Statutory Auditor</b>              |                         |                         |
| i    | Audit Fee (Including Limited Reviews) | 0.20                    | 0.16                    |
| ii   | For tax audit and other services      | 0.04                    | 0.04                    |
| iii  | For reimbursement of expenses         | -                       | 0.00                    |

### 35. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(Rs. in crores)

| S.N.         | Particulars                                                                                                                                                                                                                                                             | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)           | Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year                                                                                                                                                            | 0.55                    | 2.66                    |
| b)           | Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.                                                                                   | -                       | -                       |
| c)           | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act                                                           | -                       | -                       |
| d)           | The amount of interest accrued and remaining unpaid at the end of accounting year                                                                                                                                                                                       | -                       | -                       |
| e)           | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | -                       | -                       |
| <b>Total</b> |                                                                                                                                                                                                                                                                         | <b>0.55</b>             | <b>2.66</b>             |

### 36. Details of Opening and Closing Inventory of Finished Goods:

(Rs. in crores)

| S.N.      | Class of Product                      | 2021-22         | 2020-21         |
|-----------|---------------------------------------|-----------------|-----------------|
| <b>a)</b> | <b>Opening stock</b>                  |                 |                 |
|           | Refractory products                   | 15.13           | 16.71           |
|           | Sugar                                 | 1,187.87        | 1,159.78        |
|           | Multilayer Ceramic Chip Capacitors    | 0.02            | 0.02            |
|           | Power-Banked                          | 0.48            | 0.38            |
|           | Industrial Alcohol                    | 26.55           | 25.83           |
|           | Others                                | 73.68           | 56.22           |
|           | <b>Total</b>                          | <b>1,303.73</b> | <b>1,258.94</b> |
| <b>b)</b> | <b>Closing stock</b>                  |                 |                 |
|           | Refractory products                   | 13.12           | 15.13           |
|           | Sugar                                 | 914.28          | 1,187.87        |
|           | Multilayer Ceramic Chip Capacitors    | 0.02            | 0.02            |
|           | Power-Banked                          | 0.62            | 0.48            |
|           | Industrial Alcohol                    | 33.25           | 26.55           |
|           | Others (including bagasse & Molasses) | 146.38          | 73.68           |
|           | <b>Total</b>                          | <b>1,107.67</b> | <b>1,303.73</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 37 Disclosure as required by Ind AS 108, Operating Segments

#### (i) Identification of Segments

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

#### (ii) Operating segments identified as follows:

- The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.
- The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.
- The "Distillery Segment" includes Production and sale of Ethanol, ENA and sanitizer.
- The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

#### (iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure ( net of unallocable income )

#### (iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

#### (v) Segment revenue and segment profit

(Rs. in crores)

| Particulars                                                      | Sugar           | Power         | Distillery    | Other          | Total           |
|------------------------------------------------------------------|-----------------|---------------|---------------|----------------|-----------------|
| <b>Revenue</b>                                                   |                 |               |               |                |                 |
| <b>Gross Revenue from continuing operations</b>                  |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>2,868.77</b> | <b>377.69</b> | <b>699.92</b> | <b>46.33</b>   | <b>3,992.71</b> |
| For the year 31st March 2021                                     | (2,386.01)      | (311.93)      | (437.60)      | (8.70)         | (3,144.23)      |
| <b>Inter Segment sale</b>                                        |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>703.88</b>   | <b>267.94</b> | <b>2.64</b>   | -              | <b>974.46</b>   |
| For the year 31st March 2021                                     | (287.79)        | (170.88)      | -             | -              | (458.67)        |
| <b>Total Revenue from continuing operation*</b>                  |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>2,164.89</b> | <b>109.75</b> | <b>697.28</b> | <b>46.33</b>   | <b>3,018.25</b> |
| For the year 31st March 2021                                     | (2,098.22)      | (141.05)      | (437.60)      | (8.70)         | (2,685.57)      |
| <b>Revenue from discontinued operations</b>                      |                 |               |               |                |                 |
| For the year 31st March 2022                                     | -               | -             | -             | -              | <b>0.06</b>     |
| For the year 31st March 2021                                     | -               | -             | -             | -              | (0.22)          |
| <b>Revenue from continued and discontinued operations</b>        |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | <b>3,018.31</b> |
| For the year 31st March 2021                                     |                 |               |               |                | (2685.79)       |
| <b>Profit before interest and tax from continuing operations</b> |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>179.24</b>   | <b>107.64</b> | <b>149.62</b> | <b>(21.59)</b> | <b>414.91</b>   |
| For the year 31st March 2021                                     | (156.51)        | (103.29)      | (179.40)      | ((8.83))       | (430.37)        |
| <b>Finance Cost from continuing operations</b>                   |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | <b>34.82</b>    |
| For the year 31st March 2021                                     |                 |               |               |                | (61.86)         |
| <b>Less Exceptional items</b>                                    |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | -               |
| For the year 31st March 2021                                     |                 |               |               |                | -               |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

## 37 Disclosure as required by Ind AS 108, Operating Segments (Cont.)

(Rs. in crores)

| Particulars                                                          | Sugar | Power | Distillery | Other | Total         |
|----------------------------------------------------------------------|-------|-------|------------|-------|---------------|
| <b>Profit Before Tax from continuing operations</b>                  |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>380.09</b> |
| For the year 31st March 2021                                         |       |       |            |       | (368.51)      |
| <b>Tax expense from continuing operations</b>                        |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>84.84</b>  |
| For the year 31st March 2021                                         |       |       |            |       | (98.31)       |
| <b>Profit after Tax from continuing operations</b>                   |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>295.25</b> |
| For the year 31st March 2021                                         |       |       |            |       | (270.20)      |
| <b>Profit Before Tax from discontinuing operations</b>               |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(2.47)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((1.07))      |
| <b>Tax expense from discontinuing operations</b>                     |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(0.86)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((0.37))      |
| <b>Profit after Tax from discontinuing operations</b>                |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(1.61)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((0.70))      |
| <b>Profit After Tax from continuing and discontinuing operations</b> |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>293.64</b> |
| For the year 31st March 2021                                         |       |       |            |       | (269.50)      |

\* Includes other operating Income.

## (vi) Segment Assets &amp; Liabilities

(Rs. in crores)

| Particulars                                                     | Sugar           | Power         | Distillery    | Other         | Total           |
|-----------------------------------------------------------------|-----------------|---------------|---------------|---------------|-----------------|
| <b>Segment Assets</b>                                           |                 |               |               |               |                 |
| <b>Assets from continuing operations</b>                        |                 |               |               |               |                 |
| As at 31st March 2022                                           | <b>1,900.84</b> | <b>397.23</b> | <b>505.10</b> | <b>387.08</b> | <b>3,190.25</b> |
| As at 31st March 2021                                           | (2,091.64)      | (386.44)      | (228.03)      | (402.50)      | (3,108.61)      |
| <b>Assets from discontinuing operations</b>                     |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>27.79</b>    |
| As at 31st March 2021                                           |                 |               |               |               | -               |
| <b>Unallocable Asset</b>                                        |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>558.40</b>   |
| As at 31st March 2021                                           |                 |               |               |               | (568.33)        |
| <b>Total Asset from continuing and discontinuing operations</b> |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>3,776.44</b> |
| As at 31st March 2021                                           |                 |               |               |               | (3,676.94)      |
| <b>Segment Liability</b>                                        |                 |               |               |               |                 |
| <b>Liabilities from continuing operations</b>                   |                 |               |               |               |                 |
| As at 31st March 2022                                           | <b>924.39</b>   | <b>6.54</b>   | <b>340.77</b> | <b>34.72</b>  | <b>1,306.42</b> |
| As at 31st March 2021                                           | (1,226.49)      | (10.57)       | (129.41)      | (23.18)       | (1,389.65)      |
| <b>Liabilities from discontinuing operations</b>                |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>0.20</b>     |
| As at 31st March 2021                                           |                 |               |               |               |                 |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

## 37 Disclosure as required by Ind AS 108, Operating Segments (Cont.)

(Rs. in crores)

| Particulars                                                         | Sugar | Power | Distillery | Other | Total           |
|---------------------------------------------------------------------|-------|-------|------------|-------|-----------------|
| <b>Unallocable Liability</b>                                        |       |       |            |       |                 |
| As at 31st March 2022                                               |       |       |            |       | <b>155.49</b>   |
| As at 31st March 2021                                               |       |       |            |       | (197.55)        |
| <b>Total Liability from continuing and discontinuing operations</b> |       |       |            |       |                 |
| As at 31st March 2022                                               |       |       |            |       | <b>1,462.11</b> |
| As at 31st March 2021                                               |       |       |            |       | (1,587.20)      |

## (vii) Other Information

(Rs. in crores)

| Particulars                                                                     | Sugar         | Power        | Distillery    | Other       | Total         |
|---------------------------------------------------------------------------------|---------------|--------------|---------------|-------------|---------------|
| <b>Depreciation / Amortisation from continuing operations</b>                   |               |              |               |             |               |
| For the year 31st March 2022                                                    | <b>54.02</b>  | <b>23.30</b> | <b>16.62</b>  | <b>0.77</b> | <b>94.71</b>  |
| For the year 31st March 2021                                                    | (54.80)       | (24.76)      | (14.76)       | (1.23)      | (95.55)       |
| <b>Depreciation / Amortisation from discontinuing operations</b>                |               |              |               |             |               |
| For the year 31st March 2022                                                    |               |              |               | <b>0.00</b> | <b>0.00</b>   |
| For the year 31st March 2021                                                    |               |              |               | (0.00)      | (0.00)        |
| <b>Depreciation / Amortisation from continuing and discontinuing operations</b> |               |              |               |             |               |
| For the year 31st March 2022                                                    |               |              |               |             | <b>94.71</b>  |
| For the year 31st March 2021                                                    |               |              |               |             | (95.55)       |
| <b>Capital expenditure</b>                                                      |               |              |               |             |               |
| For the year 31st March 2022                                                    | <b>143.68</b> | <b>51.72</b> | <b>130.16</b> | <b>0.30</b> | <b>325.86</b> |
| For the year 31st March 2021                                                    | (29.97)       | (3.32)       | (17.43)       | (0.36)      | (51.08)       |

## (viii) Geographical Location

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

(Rs. in crores)

| Particulars                       | FY 2021-22      | FY 2020-21      |
|-----------------------------------|-----------------|-----------------|
| Revenue from continuing operation |                 |                 |
| Domestic                          | 2,261.24        | 2,266.46        |
| Overseas                          | 757.01          | 419.11          |
| <b>Total</b>                      | <b>3,018.25</b> | <b>2,685.57</b> |

Note: There are no non-current assets located outside India.

## (ix) Significant clients

There is no single customer who has contributed 10% or more to the company's revenue for both the years ended March 31, 2022 and March 31, 2021.

## Notes:-

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 and 3.
- All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.
- All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 38 Employee Benefits - Gratuity & Post employment benefits

#### Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

#### A. Statement of profit and loss

##### Net employee benefit expense

(Rs. in crores)

| Particulars                                           | 2021-22  | 2020-21  |
|-------------------------------------------------------|----------|----------|
|                                                       | Gratuity | Gratuity |
| Current Service cost                                  | 3.47     | 3.12     |
| Net Interest cost                                     | 1.75     | 1.56     |
| Expenses Recognized in the statement of Profit & Loss | 5.22     | 4.68     |

##### Amounts to be recognized in Other Comprehensive Income

(Rs. in crores)

| Particulars                                                    | 2021-22  | 2020-21  |
|----------------------------------------------------------------|----------|----------|
|                                                                | Gratuity | Gratuity |
| Actuarial (gain)/loss on assets                                | 0.00     | 0.00     |
| Actuarial (gain)/loss on liabilities                           | 4.64     | 0.38     |
| Net (gain)/loss to be recognized in Other Comprehensive Income | 4.64     | 0.38     |

#### B. Balance Sheet

##### (i) Details of Plan assets/ (liabilities) for gratuity

(Rs. in crores)

| Particulars                                           | 2021-22  | 2020-21  |
|-------------------------------------------------------|----------|----------|
|                                                       | Gratuity | Gratuity |
| Defined benefit obligation                            | 53.46    | 47.80    |
| Fair value of plan assets                             | 20.09    | 19.31    |
| Net Asset/(Liability) recognized in the Balance Sheet | (33.37)  | (28.49)  |

##### (ii) Changes in the present value of the defined benefit obligation are as follows:

(Rs. in crores)

| Particulars                            | 2021-22  | 2020-21  |
|----------------------------------------|----------|----------|
|                                        | Gratuity | Gratuity |
| Opening defined benefit obligation     | 47.80    | 43.04    |
| Interest cost                          | 2.94     | 2.75     |
| Current service cost                   | 3.47     | 3.12     |
| Benefit paid                           | (5.48)   | (1.48)   |
| Actuarial (gains)/losses on obligation | 4.64     | 0.37     |
| Acquisition Adjustment                 | 0.09     | 0.00     |
| Closing defined benefit obligation     | 53.46    | 47.80    |

##### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

(Rs. in crores)

| Particulars                       | 2021-22 | 2020-21 |
|-----------------------------------|---------|---------|
| Opening fair value of plan assets | 19.31   | 18.60   |
| Actual return on Plan Assets      | 1.19    | 1.19    |
| Contribution during the year      | 5.07    | 1       |
| Benefit paid                      | (5.48)  | (1.48)  |
| Closing fair value of plan assets | 20.09   | 19.31   |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 38 Employee Benefits - Gratuity & Post employment benefits (Cont.)

#### (iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

| Particulars                  | 2021-22                        | 2020-21                        |
|------------------------------|--------------------------------|--------------------------------|
|                              | %                              | %                              |
| Discount rate (%)            | 6.65%                          | 6.15%                          |
| Expected salary increase (%) | 7.00%                          | 7.00%                          |
| Demographic Assumptions      | Indian Assured Lives Mortality | Indian Assured Lives Mortality |
|                              | (2012-14)                      | (2012-14)                      |
| Retirement Age (year)        | 58 Years                       | 58 Years                       |

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

#### (v) Contribution to defined contribution plans:

(Rs. in crores)

| Particulars                               | 2021-22 | 2020-21 |
|-------------------------------------------|---------|---------|
| Pension Fund/Superannuation funds/ESI/EPF | 6.81    | 7.89    |

#### (vi) Sensitivity analysis of the defined benefit obligation:

| Assumption                                         | Discount rate        |                      |                      |                      |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Sensitivity Level                                  | 1% Decrease          |                      | 1% Increase          |                      |
|                                                    | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Impact on defined benefit obligation               | 56.56                | 50.86                | 50.68                | 45.09                |
| Impact on defined benefit obligation (change in %) | 5.80%                | 6.40%                | -5.20%               | -5.70%               |

| Assumption                                         | Future salary increases |                      |                      |                      |
|----------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|
| Sensitivity Level                                  | 1% Decrease             |                      | 1% Increase          |                      |
|                                                    | As at March 31, 2022    | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Impact on defined benefit obligation               | 50.66                   | 45.09                | 56.52                | 50.80                |
| Impact on defined benefit obligation (change in %) | -5.20%                  | -5.70%               | 5.70%                | 6.30%                |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

#### (vii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 39 Related party transaction

#### a) List of related parties (as certified by the management)

##### i. Subsidiaries of the Company

Himshikhar Investment Limited

##### ii. Key Management Personnel of the Company

Shri Jai Hari Dalmia (upto 08.07.2021)– Vice-Chairman & Managing Director, Shri Gautam Dalmia - Managing Director, Shri B B Mehta -Whole Time director, Shri Anil Kataria- Chief Financial Officer & Ms. Aashima V Khanna-Company Secretary .

Independent directors - Shri P. Kannan, Ms. Amita Misra and Shri Rajeev Bakshi (w.e.f 05/02/2021 )

Non-Executive directors - Shri T. Venkatesan

##### Relatives of Key Management Personnel

Shri Yadu Hari Dalmia, Shri Raghu Hari Dalmia and Mr. Abhishek Dua (W.e.f 15.03.2022)

##### iii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

|                                                      |                                        |                          |
|------------------------------------------------------|----------------------------------------|--------------------------|
| Dalmia Bharat Limited                                | Dalmia DSP Limited                     | Dalmia Bharat Foundation |
| Dalmia Cement (Bharat) Limited                       | Alsthom Industries Limited             | Avanee Trust             |
| Dalmia Bharat Refractories Limited                   | Dalmia seven Refractories limited      | Dalmia Family Trust      |
| Calcom Cement India Limited                          | Hippostores Technology Private limited |                          |
| Dalmia Institute of Scientific & Industrial Research | Dalmia Bharat Green Vision limited     |                          |
| Murli Industries limited                             |                                        |                          |

#### b) The following transactions were carried out with related parties in the ordinary course of business:

(Rs. in crores)

| Nature of transaction                | Subsidiary company | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total  |
|--------------------------------------|--------------------|-----------------------------------------------|------------------------------------------------|--------|
| <b>A. Sale of goods and services</b> |                    |                                               |                                                |        |
| a) Dalmia Cement (Bharat) Limited    |                    |                                               | 4.10                                           | 4.10   |
|                                      |                    |                                               | (2.15)                                         | (2.15) |
| b) Dalmia Bharat Limited             |                    |                                               | 0.32                                           | 0.32   |
|                                      |                    |                                               | (0.07)                                         | (0.07) |
| c) Calcom Cement India Limited       |                    |                                               | 0.15                                           | 0.15   |
|                                      |                    |                                               | (0.15)                                         | (0.15) |
| d) Dalmia Bharat Foundation          |                    |                                               | 0.05                                           | 0.05   |
|                                      |                    |                                               | (0.00)                                         | (0.00) |
| e) Dalmia DSP Limited                |                    |                                               | 0.06                                           | 0.06   |
|                                      |                    |                                               | (0.10)                                         | (0.10) |
| f) Alsthom Industries Limited        |                    |                                               | 0.02                                           | 0.02   |
|                                      |                    |                                               | (0.01)                                         | (0.01) |
| g) Shri J.H. Dalmia                  |                    | 0.02                                          |                                                | 0.02   |
|                                      |                    | (0.02)                                        |                                                | (0.02) |
| h) Shri Y.H. Dalmia                  |                    | 0.05                                          |                                                | 0.05   |
|                                      |                    | (0.00)                                        |                                                | (0.00) |
| i) Dalmia Family Trust               |                    |                                               | 0.01                                           | 0.01   |
|                                      |                    |                                               | (0.01)                                         | (0.01) |
| j) Dalmia Seven Refractories limited |                    |                                               | 0.01                                           | 0.01   |
|                                      |                    |                                               | (0.04)                                         | (0.04) |
| k) Murli Industries limited          |                    |                                               | 0.19                                           | 0.19   |
|                                      |                    |                                               | (0.05)                                         | (0.05) |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 39 Related party transaction (Cont.)

(Rs. in crores)

| Nature of transaction                                   | Subsidiary company | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total   |
|---------------------------------------------------------|--------------------|-----------------------------------------------|------------------------------------------------|---------|
| l) Dalmia Bharat Refractories Limited                   |                    |                                               | 1.20                                           | 1.20    |
|                                                         |                    |                                               | (0.12)                                         | (0.12)  |
| m) Avanee Trust                                         |                    |                                               | 0.01                                           | 0.01    |
|                                                         |                    |                                               | -                                              | -       |
| n) Hippostores Technology Private limited               |                    |                                               | 0.08                                           | 0.08    |
|                                                         |                    |                                               | -                                              | -       |
| o) Dalmia Bharat Green Vision limited                   |                    |                                               | 0.03                                           | 0.03    |
|                                                         |                    |                                               | -                                              | -       |
| <b>B. Reimbursement of expenses – payable</b>           |                    |                                               |                                                |         |
| a) Dalmia Institute of Scientific & Industrial Research |                    |                                               | 0.08                                           | 0.08    |
|                                                         |                    |                                               | (0.10)                                         | (0.10)  |
| b) Dalmia Bharat Foundation                             |                    |                                               | 3.75                                           | 3.75    |
| (For CSR Expenditure)                                   |                    |                                               | (3.61)                                         | (3.61)  |
| c) Shri Raghu Hari Dalmia                               |                    | 0.20                                          |                                                | 0.20    |
|                                                         |                    | -                                             |                                                | -       |
| <b>C. Purchase of goods and services</b>                |                    |                                               |                                                |         |
| a) Dalmia Bharat Limited                                |                    |                                               | 11.75                                          | 11.75   |
|                                                         |                    |                                               | (10.76)                                        | (10.76) |
| b) Dalmia Cement (Bharat) Limited                       |                    |                                               | 7.89                                           | 7.89    |
|                                                         |                    |                                               | (4.57)                                         | (4.57)  |
| c) Dalmia Refractories Limited                          |                    |                                               | 0.02                                           | 0.02    |
|                                                         |                    |                                               | (0.07)                                         | (0.07)  |
| <b>D. Loans and Advances given</b>                      |                    |                                               |                                                |         |
| a) Himshikhar Investment Limited                        | -                  |                                               |                                                | -       |
|                                                         | (1.50)             |                                               |                                                | (1.50)  |
| <b>E. Interest income on Loans given</b>                |                    |                                               |                                                |         |
| a) Himshikhar Investment Limited                        | 0.04               |                                               |                                                | 0.04    |
|                                                         | (0.00)             |                                               |                                                | (0.00)  |
| <b>F. Salary and Perquisites</b>                        |                    |                                               |                                                |         |
| a) Shri J.H. Dalmia#                                    |                    | 3.44                                          |                                                | 3.44    |
|                                                         |                    | (1.37)                                        |                                                | (1.37)  |
| b) Shri Gautam Dalmia                                   |                    | 12.13                                         |                                                | 12.13   |
|                                                         |                    | (5.82)                                        |                                                | (5.82)  |
| c) Shri Raghu Hari Dalmia                               |                    | 1.50                                          |                                                | 1.50    |
|                                                         |                    | (1.46)                                        |                                                | (1.46)  |
| d) Shri B B Mehta                                       |                    | 4.16                                          |                                                | 4.16    |
|                                                         |                    | (3.19)                                        |                                                | (3.19)  |
| e) Shri Anil Kataria                                    |                    | 0.97                                          |                                                | 0.97    |
|                                                         |                    | (0.89)                                        |                                                | (0.89)  |
| f) Ms. Aashima Khanna                                   |                    | 0.09                                          |                                                | 0.09    |
|                                                         |                    | (0.10)                                        |                                                | (0.10)  |
| g) Mr. Abhishek Dua *                                   |                    | 0.01                                          |                                                | 0.01    |
|                                                         |                    | -                                             |                                                | -       |
| <b>G. Dividend Received</b>                             |                    |                                               |                                                |         |
| a) Dalmia Bharat Limited                                |                    |                                               | 1.01                                           | 1.01    |
|                                                         |                    |                                               | -                                              | -       |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 39 Related party transaction (Cont.)

(Rs. in crores)

| Nature of transaction                                     | Subsidiary company | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total  |
|-----------------------------------------------------------|--------------------|-----------------------------------------------|------------------------------------------------|--------|
| <b>H. Dividend paid</b>                                   |                    |                                               |                                                |        |
| a) Dalmia Bharat Limited                                  |                    |                                               | 8.90                                           | 8.90   |
|                                                           |                    |                                               |                                                | -      |
| <b>I. Sitting fees to directors</b>                       |                    |                                               |                                                |        |
| a) Shri P. Kannan                                         |                    | 0.06                                          |                                                | 0.06   |
|                                                           |                    | (0.06)                                        |                                                | (0.06) |
| b) Shri T. Venkatesan                                     |                    | 0.03                                          |                                                | 0.03   |
|                                                           |                    | (0.03)                                        |                                                | (0.03) |
| c) Ms. Amita Misra                                        |                    | 0.07                                          |                                                | 0.07   |
|                                                           |                    | (0.06)                                        |                                                | (0.06) |
| d) Shri Rajeev Bakshi                                     |                    | 0.04                                          |                                                | 0.04   |
|                                                           |                    | (0.01)                                        |                                                | (0.01) |
| <b>J. Commission to independent directors</b>             |                    |                                               |                                                |        |
| a) Shri P. Kannan                                         |                    | 0.10                                          |                                                | 0.10   |
|                                                           |                    | (0.10)                                        |                                                | (0.10) |
| b) Ms. Amita Misra                                        |                    | 0.10                                          |                                                | 0.10   |
|                                                           |                    | (0.10)                                        |                                                | (0.10) |
| c) Shri Rajeev Bakshi**                                   |                    | 0.80                                          |                                                | 0.80   |
|                                                           |                    | (0.15)                                        |                                                | (0.15) |
| <b>K. Other expenditure</b>                               |                    |                                               |                                                |        |
| a) Shir Yadu Hari Dalmia                                  |                    | 0.03                                          |                                                | 0.03   |
|                                                           |                    | (0.03)                                        |                                                | (0.03) |
| <b>L. Payments made on behalf of subsidiary companies</b> |                    |                                               |                                                |        |
| a) Himshikhar Investment Limited                          | 0.47               |                                               |                                                | 0.47   |
|                                                           | (0.33)             |                                               |                                                | (0.33) |

\* Amount is for part of the year

\*\* subject to approval of the shareholders.

# Including gratuity payment.

Notes:-

i) Above transactions are exclusive of recoverable taxes, wherever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 39 Related party transaction (Cont.)

#### c) Balances Outstanding at Year End:

(Rs. in crores)

| Nature of transaction                                   | Subsidiary company | Key management personnel | Key management personnel controlled enterprise | Total    |
|---------------------------------------------------------|--------------------|--------------------------|------------------------------------------------|----------|
| <b>A. Loan Receivable</b>                               |                    |                          |                                                |          |
| a) Himshikhar Investment Limited                        | -                  |                          |                                                | -        |
|                                                         | (1.50)             |                          |                                                | (1.50)   |
| <b>B. Optionally Convertible Debenture</b>              |                    |                          |                                                |          |
| a) Himshikhar Investment Limited                        | 150.00             |                          |                                                | 150.00   |
|                                                         | (150.00)           |                          |                                                | (150.00) |
| <b>C. Amounts payable</b>                               |                    |                          |                                                |          |
| a) Dalmia Bharat Limited                                |                    |                          | 1.20                                           | 1.20     |
|                                                         |                    |                          | (0.96)                                         | (0.96)   |
| b) Dalmia Cement (Bharat) Limited                       |                    |                          | 0.65                                           | 0.65     |
|                                                         |                    |                          | (0.44)                                         | (0.44)   |
| c) Dalmia Institute of Scientific & Industrial Research |                    |                          | -                                              | -        |
|                                                         |                    |                          | (0.01)                                         | (0.01)   |
| <b>D. Amounts Receivable</b>                            |                    |                          |                                                |          |
| a) Dalmia Bharat Limited                                |                    |                          | 0.05                                           | 0.05     |
|                                                         |                    |                          | (0.01)                                         | (0.01)   |
| b) Dalmia Cement (Bharat) Limited                       |                    |                          | 0.57                                           | 0.57     |
|                                                         |                    |                          | (0.37)                                         | (0.37)   |
| c) Calcom Cement India Limited                          |                    |                          | 0.03                                           | 0.03     |
|                                                         |                    |                          | (0.01)                                         | (0.01)   |
| d) Dalmia Bharat Refractories limited                   |                    |                          | 0.22                                           | 0.22     |
|                                                         |                    |                          | (0.03)                                         | (0.03)   |
| e) Murali Industries limited                            |                    |                          | 0.04                                           | 0.04     |
|                                                         |                    |                          | -                                              | -        |
| f) Dalmia Bharat Green Vision limited                   |                    |                          | 0.01                                           | 0.01     |
|                                                         |                    |                          | -                                              | -        |
| g) Dalmia DSP Limited                                   |                    |                          | -                                              | -        |
|                                                         |                    |                          | (0.03)                                         | (0.03)   |
| h) Dalmia Seven Refractories Limited                    |                    |                          | -                                              | -        |
|                                                         |                    |                          | (0.01)                                         | (0.01)   |



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 40. Government Grant

#### a) Government grants recognised in the financial statements

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, buffer stock subsidy and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

|                                                          |                                                 | (Rs. in crores) |         |
|----------------------------------------------------------|-------------------------------------------------|-----------------|---------|
| Particulars                                              | Treatment in accounts                           | 2021-22         | 2020-21 |
| <b>Revenue related government grant</b>                  |                                                 |                 |         |
| Export subsidy(MAEQ Quota )                              | Shown as a part of other Operating Income       | 98.37           | 189.66  |
| Buffer stock subsidy - Interest on loan                  | Shown under Government Grant under Other Income | 0.00            | 5.42    |
| Buffer stock subsidy - Reimbursement of storage expenses | Shown under Government Grant under Other Income | 0.00            | 0.89    |
| Interest subvention on SEFASU loan                       | Shown under Government Grant under Other Income | 0.00            | 2.20    |
| Interest subvention on Ethanol capacity loan             | Shown under Government Grant under Other Income | 1.66            | 4.06    |
| <b>Deferred government grant</b>                         |                                                 |                 |         |
| Deferred income relating to interest on term loans       | Shown under Government Grant under Other Income | 3.86            | 4.20    |

#### b) Movement of deferred government grants is provided here below:

|                                                  |  | (Rs. in crores)      |                      |
|--------------------------------------------------|--|----------------------|----------------------|
| Particulars                                      |  | As at March 31, 2022 | As at March 31, 2021 |
| <b>Opening balance</b>                           |  | 12.33                | 16.53                |
| Add: Increase during the year                    |  | -                    | -                    |
| Less: Released to the Statement of Profit & Loss |  | 3.86                 | 4.20                 |
| <b>Closing balance</b>                           |  | 8.47                 | 12.33                |
| Current                                          |  | 3.80                 | 3.80                 |
| Non-current                                      |  | 4.67                 | 8.52                 |

### 41 Leases

#### Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

#### Payments recognised as expense

| Particulars           | 2021-22 | 2020-21 |
|-----------------------|---------|---------|
| Minimum lease payment | 1.18    | 1.93    |

### 42 Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 43 Pre operative expenditure included in capital work in progress

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

|                                                                |  | (Rs. in crores) |             |
|----------------------------------------------------------------|--|-----------------|-------------|
| Particulars                                                    |  | 2021-22         | 2020-21     |
| <b>Carried forward as part of Capital Work in Progress (A)</b> |  | 0.14            | -           |
| <b>Expenditure incurred during the year</b>                    |  |                 |             |
| Power & Fuel                                                   |  | 0.24            |             |
| Employee Cost                                                  |  | 0.43            |             |
| Finance Cost                                                   |  | 0.88            | -           |
| Consultancy Charges                                            |  | 0.55            | -           |
| Miscellaneous Expenses                                         |  | 1.05            | 0.14        |
| <b>Total Expenditure incurred during the year (B)</b>          |  | 3.15            | 0.14        |
| <b>Total Pre-operative Expenditure (A + B)</b>                 |  | <b>3.29</b>     | <b>0.14</b> |
| Less : Capitalised as Property, plant and equipment            |  | 3.11            | -           |
| <b>Carried forward as part of Capital Work in Progress</b>     |  | <b>0.18</b>     | <b>0.14</b> |

### 44 Discosure Required by Companies Act 2013

#### (a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) :

(Rs. in crores)

| S.N. | Name of the Loanee            | Opening Balance | Loan given | Loan repaid | Closing Balance | Purpose |
|------|-------------------------------|-----------------|------------|-------------|-----------------|---------|
| 1    | Himshikhar Investment Limited | 1.50            | -          | 1.50        | -               |         |

#### (b) Particulars of Guarantee given:

NIL

#### (c) Particulars of Investments made:

(Rs. in crores)

| S.N. | Name of the Investee          | Opening Balance | Investment made | Investment sold | Closing Balance | Purpose              |
|------|-------------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| 1    | Dalmia Bharat Limited*        | 9.90            | -               | -               | 9.90            | Long term Investment |
| 2    | Himshikhar Investment Limited | 154.45          | -               | -               | 154.45          | Long term Investment |

\* excluding fair valuation impact.

#### (d) Particulars of Security Deposit :

NIL

#### (e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below

#### (i) Detail of CSR Expenditure

|                                                                     |  | (Rs. in crores) |             |
|---------------------------------------------------------------------|--|-----------------|-------------|
| Particulars                                                         |  | 2021-22         | 2020-21     |
| a) Gross amount required to be spent by the company during the year |  | 5.27            | 3.87        |
| b) Amount spent during the year                                     |  |                 |             |
| i) Construction/acquisition of any asset                            |  | -               | -           |
| ii) On purposes other than (i) above                                |  | 4.81            | 3.87        |
| c) Shortfall at the end of the year                                 |  | 0.46            | -           |
| d) Total of previous year shortfall                                 |  | -               | -           |
| <b>Total</b>                                                        |  | <b>5.27</b>     | <b>3.87</b> |





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 44 Discosure Required by Companies Act 2013 (Cont.)

| Financial year* | Amount unspent on corporate social responsibility activities for ongoing projects | Amount transferred to Special Account within 30 days from the end of the financial year | Amount transferred after due date |
|-----------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------|
| 2021-22         | 0.46                                                                              | 0.50                                                                                    | Not applicable                    |

#### Provision made for Corporate Social Responsibility

| Particulars                  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|------------------------------|------------------------------|------------------------------|
| Opening balance of Provision | 0.00                         | 0.00                         |
| Changes during the year      | 0.00                         | 0.00                         |
| Closing balance of provision | 0.00                         | 0.00                         |

Note:-

Amount is unspent due to allocation of funds to long term projects and is expected to get incurred in next year.

The company has deposited the amount of shortfall to CSR unspent account within due time limits.

#### (ii) Various heads under which CSR Expenditure is incurred

| Description                                              | Relevant Clause of SCH VII of Companies Act 2013 | 2021-22     | 2020-21     |
|----------------------------------------------------------|--------------------------------------------------|-------------|-------------|
| <b>Expenditure done through Dalmia Bharat Foundation</b> |                                                  |             |             |
| Social Development                                       | Clause No. I & X                                 | 1.56        | 0.76        |
| Skill Training & Livelihood                              | Clause No. II & III                              | 1.07        | 0.71        |
| Soil, Water & Energy Conservation                        | Clause No. IV                                    | 1.12        | 2.14        |
|                                                          |                                                  | <b>3.75</b> | <b>3.61</b> |
| <b>Expenditure done directly by the company</b>          |                                                  |             |             |
| Social Development                                       | Clause No. I & X                                 | 0.13        | -           |
| Contribution of PM Cares Fund                            | Clause No. viii                                  | -           | 0.00        |
| Soil, Water & Energy Conservation                        | Clause No. IV                                    | -           | 0.20        |
| Infrastructuer for Covid Care                            | Clause No. XII                                   | 0.81        | 0.00        |
| Programme Execution                                      |                                                  | 0.12        | 0.06        |
| <b>Total Expenditure by the Company</b>                  |                                                  | <b>4.81</b> | <b>3.87</b> |

(Rs. in crores)

### 45 Financial Risk Management

#### Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

#### A Market Risk:-

The Company operates internationally and is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas. The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 45 Financial Risk Management (Cont.)

The details in respect of outstanding foreign currency forward contracts are as follows :

| Particulars       | Amount (USD in Crores) | (Rs. In crores)    | Amount (USD in Crores) | (Rs. In crores)    |
|-------------------|------------------------|--------------------|------------------------|--------------------|
|                   | As at<br>31-Mar-22     | As at<br>31-Mar-22 | As at<br>31-Mar-21     | As at<br>31-Mar-21 |
| Forward Contracts | 3.10                   | 237.13             | 5.05                   | 374.53             |

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

| Particulars                                          | Amount (USD in Crores) | (Rs. In crores)    | Amount (USD in Crores) | (Rs. In crores)    |
|------------------------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                                      | As at<br>31-Mar-22     | As at<br>31-Mar-22 | As at<br>31-Mar-21     | As at<br>31-Mar-21 |
| Not Later than one months                            | 0.14                   | 10.85              | 2.21                   | 163.93             |
| Later than one month and not later than three months | 1.89                   | 144.52             | 2.84                   | 210.60             |
| Later than three months and not later than One year  | 1.07                   | 81.76              | -                      | -                  |

During the year ended March 31, 2022, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in other comprehensive income - cash flow hedge as at March 31, 2022 are expected to occur and reclassified to statement of profit and loss within 1 year.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Other comprehensive income - cash flow hedge for the year ended:-

| Particulars                                                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Gain / (Loss)</b>                                                     |                         |                         |
| Balance at the beginning of the year                                     | 1.89                    | (7.92)                  |
| Gain / (Loss) reversed in other comprehensive income during the period   | (2.90)                  | 12.17                   |
| Tax impact on above                                                      | 1.01                    | (4.25)                  |
| Gain / (Loss) recognized in other comprehensive income during the period | 1.66                    | 2.90                    |
| Tax impact on above                                                      | (0.70)                  | (1.01)                  |
| <b>Balance at the end of the year</b>                                    | <b>0.96</b>             | <b>1.89</b>             |

(Rs. in crores)

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 45 Financial Risk Management (Cont.)

#### B Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of institutional & non institutional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing.

| (Rs. in crores)      |                    |                    |        |
|----------------------|--------------------|--------------------|--------|
| Trade receivables    | More than 6 Months | Less than 6 Months | Total  |
| As at March 31, 2022 | 9.54               | 157.00             | 166.54 |
| As at March 31, 2021 | 12.34              | 102.92             | 115.26 |

#### C Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

| (Rs. in crores)           |                      |                      |
|---------------------------|----------------------|----------------------|
| Particulars               | As at March 31, 2022 | As at March 31, 2021 |
| Total current assets      | 1,683.89             | 1,828.39             |
| Total current liabilities | 918.17               | 1,174.71             |
| <b>Current ratio</b>      | <b>1.83</b>          | <b>1.56</b>          |

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities :

| (Rs. in crores) |                               |                  |              |           |        |
|-----------------|-------------------------------|------------------|--------------|-----------|--------|
|                 | Particulars                   | Less than 1 year | 1 to 5 years | > 5 years | Total  |
| <b>I</b>        | <b>As at 31st March, 2022</b> |                  |              |           |        |
| (i)             | Borrowings*                   | 481.30           | 185.32       | 151.89    | 818.51 |
| (ii)            | Other Financial Liability     | 87.72            |              |           | 87.72  |
| (iii)           | Trade and other payable       | 261.18           |              |           | 261.18 |
| <b>II</b>       | <b>As at 31st March, 2021</b> |                  |              |           |        |
| (i)             | Borrowings*                   | 731.26           | 148.32       | 78.32     | 957.90 |
| (ii)            | Other Financial Liability     | 69.26            |              |           | 69.26  |
| (iii)           | Trade and other payable       | 268.48           |              |           | 268.48 |

\* Includes short term borrowings & Long term borrowings payable after 1 year.

#### D Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 45 Financial Risk Management (Cont.)

Table hereunder provides the sensitivity of interest rate changes:-

| (Rs. in crores)                                                        |                      |                      |
|------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                            | As at March 31, 2022 | As at March 31, 2021 |
| Total long term borrowing on fluctuation rates                         | 319.44               | 162.98               |
| Increase in profit before tax with each 1% reduction in interest rates | 3.19                 | 1.63                 |
| Decrease in profit before tax with each 1% increase in interest rates  | (3.19)               | (1.63)               |

### 46 Capital Management

"For the purpose of capital management, capital includes net debt and total equity of the company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the company.

One of the majour business of the company is the sugar business, which is a seasonal industry, where the entire production is made in about five to six months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavor of the company to prune down debts to acceptable levels based on its financial position.

The company may resorts to further issue of capital when the funds are required to make the company stronger financially or to invest in projects meeting the ROI expectations of the Company.

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the company as at the end of reporting period were as follows:

| (Rs. in crores)                                                  |                      |                      |
|------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                      | As at March 31, 2022 | As at March 31, 2021 |
| Non-current borrowings (note no.13 (i))                          | 337.21               | 226.64               |
| Current borrowings Including current maturities (note no.17 (i)) | 481.30               | 731.26               |
| <b>Total debt</b>                                                | <b>818.51</b>        | <b>957.90</b>        |
| Less: Cash and cash equivalents (note no. 9 (i),(iii)&(iv))      | (207.77)             | (180.88)             |
| <b>Net debt</b>                                                  | <b>610.74</b>        | <b>777.02</b>        |
| <b>Total equity (note no.11 &amp; 12 )</b>                       | <b>2314.33</b>       | <b>2089.74</b>       |
| Net debt to equity ratio                                         | 0.26                 | 0.37                 |
| Long term debt equity ratio                                      | 0.15                 | 0.11                 |

In addition to the above gearing ratio, the company also looks at operating profit to total debt ratio (EBIDTA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financials covenants. With a view to arrive at the desired capital structure based on the financial condition of the company, the company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the company at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the period.

The company is not subject to any externally imposed capital requirements.



## Notes to Standalone Financial Statements for the year ended March 31, 2022

**47** This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in crores)

| Sl. No   | Particulars                                                                         | Fair value hierarchy       | As at March 31, 2022 |            | As at March 31, 2021 |            |
|----------|-------------------------------------------------------------------------------------|----------------------------|----------------------|------------|----------------------|------------|
|          |                                                                                     |                            | Carrying Amount      | Fair Value | Carrying Amount      | Fair Value |
| <b>1</b> | <b>Financial assets designated at fair value through profit and loss</b>            |                            |                      |            |                      |            |
| (i)      | In Debt based mutual funds                                                          | Level 1                    | 104.27               | 104.27     | 101.39               | 101.39     |
| <b>2</b> | <b>Financial assets designated at fair value through other comprehensive income</b> |                            |                      |            |                      |            |
| (i)      | Investment In Listed Equity shares                                                  | Level 1                    | 281.77               | 281.77     | 299.17               | 299.17     |
| <b>3</b> | <b>Financial assets designated at amortised cost</b>                                |                            |                      |            |                      |            |
| (i)      | Investment in Bonds                                                                 | Carried at amortised cost. | 7.94                 | 7.94       | 8.46                 | 8.46       |
| (ii)     | Other Bank Balances                                                                 | Level 2                    | 9.29                 | 9.29       | 8.49                 | 8.49       |
| (iii)    | Cash & Cash Equivalents                                                             | Level 2                    | 94.21                | 94.21      | 71.00                | 71.00      |
| (iv)     | Trade receivables                                                                   | Carried at amortised cost. | 166.54               | 166.54     | 115.26               | 115.26     |
| (v)      | Loans and other receivable (Non-Current)                                            |                            | 2.55                 | 2.55       | 26.29                | 26.29      |
| (vi)     | Loans and other receivable (Current)                                                |                            | 23.54                | 23.54      | 45.58                | 45.58      |
| <b>4</b> | <b>Investment in subsidiary companies</b>                                           |                            | 154.45               | 154.45     | 154.45               | 154.45     |

(Rs. in crores)

| Sl. No   | Particulars                                             | Fair value hierarchy       | As at March 31, 2022 |                 | As at March 31, 2021 |                 |
|----------|---------------------------------------------------------|----------------------------|----------------------|-----------------|----------------------|-----------------|
|          |                                                         |                            | Carrying Amount      | Fair Value      | Carrying Amount      | Fair Value      |
| <b>1</b> | <b>Financial liability designated at amortised cost</b> |                            |                      |                 |                      |                 |
|          | Borrowings - Non Current                                | Carried at amortised cost. | 337.21               | 337.21          | 226.64               | 226.64          |
|          | Other financial liability - Non Current                 |                            | 3.19                 | 3.19            | 3.24                 | 3.24            |
|          | Borrowings - Current                                    |                            | 481.30               | 481.30          | 731.26               | 731.26          |
|          | Other financial liability - Current                     |                            | 84.53                | 84.53           | 66.02                | 66.02           |
|          | Trade payables                                          |                            | 261.17               | 261.17          | 268.48               | 268.48          |
|          | <b>Total</b>                                            |                            | <b>1,167.40</b>      | <b>1,167.40</b> | <b>1,295.64</b>      | <b>1,295.64</b> |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

**47 (Cont.)**

**A** - Company has fair valued its debt based mutual fund investment through profit & loss.

**B** - Company has opted to fair value its quoted investments in equity share through OCI.

**C** - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

**D** - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**48** The Board of Directors had, in its meeting held on December 31, 2020, approved the Scheme of Arrangement between the Company and Himshikhar Investment Limited ("HIL"/its Wholly Owned Subsidiary) involving amalgamation of HIL with the Company. The proposed appointed date of the Scheme is 1st April, 2021. The Petition has been filed with Hon'ble National Company Law Tribunal, Chennai Bench for approval of the Scheme and the approval is awaited. Pending necessary approval, no effect of the Scheme has been considered in the financial results.

### 49 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

### Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

During the year the company has done the impairment assessment for Ninaidevi unit (which got impaired earlier) and management is of the view that thereis not any requirement for impairment. Accordingly impairment amounting Rs.21.79 Cr has been reversed during the year.





## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 50 Other Statutory information

- The Company did not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- The Company did not have any transactions with companies struck off.
- Detail of charges not satisfied as on 31st March 2022

| S. No. | Charge in favour of                                      | (Rs. in crore) | Status                                                             |
|--------|----------------------------------------------------------|----------------|--------------------------------------------------------------------|
| 1      | VISTRA ITCL (INDIA) LIMITED                              | 117.60         | Satisfied on 8 April 2022                                          |
| 2      | ALLAHABAD BANK                                           | 135.00         | Loan fully paid but NOC awaited                                    |
| 3      | IFCI Limited- (9 charges)                                | 76.24          | Loan fully paid but NOC awaited                                    |
| 4      | State Industries Promotion Corporation of Tamil Nadu Ltd | 312.00         | Loan got shifted to another group company at the time of demerger. |
| 5      | IL & FS TRUST COMPANY LIMITED- (4 charges)               | 380.20         | Loan fully paid but NOC awaited                                    |
| 6      | UNION BANK OF INDIA- (2 charges)                         | 125.00         | Loan fully paid but NOC awaited                                    |
| 7      | CORPORATION BANK- (2 charges)                            | 82.71          | Loan fully paid but NOC awaited                                    |
| 8      | UNITED BANK OF INDIA                                     | 4.26           | Loan fully paid but NOC awaited                                    |

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- The Company has not advanced or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company did not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Company has not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- Ratio analysis alongwith reasoning for more than 25% changesRatio

| S. No. | Ratios            | Formulae                          | For the year ended 31st March 2022 | For the year ended 31st March 2021 | Deviation |
|--------|-------------------|-----------------------------------|------------------------------------|------------------------------------|-----------|
| a)     | Current Ratio     | Current Asset/Current liabilities | 1.85                               | 1.56                               | 19%       |
| b)     | Debt-Equity Ratio | Debt/Equity                       | 0.35                               | 0.46                               | -23%      |

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 50 Other Statutory information (Cont.)

| S. No.                                                                                                                                                                           | Ratios                          | Formulae                                                                                                   | For the year ended 31st March 2022 | For the year ended 31st March 2021 | Deviation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|-----------|
| c)                                                                                                                                                                               | Debt service coverage Ratio     | (PBT+Dep+Int on TL) \ [Interest +repayment (incl prepayments)]                                             | 3.55                               | 1.72                               | 107%      |
| Reasoning for > 25% deviation:- Debt service coverage ratio has substantially improved due to reduction in interest costs and lower prepayments done in FY 22 vis -a- vis FY 21. |                                 |                                                                                                            |                                    |                                    |           |
| d)                                                                                                                                                                               | Return on Equity Ratio          | Net Income/Average Shareholder Equity                                                                      | 0.13                               | 0.15                               | -9%       |
| e)                                                                                                                                                                               | Inventory Turnover Ratio        | Revenue from operation / Average Inventory { (Closing Inventory + Opening Inventory)/2}                    | 2.31                               | 1.99                               | 16%       |
| f)                                                                                                                                                                               | Trade Receivable turnover Ratio | Total Sales / Average Accounts Receivable { (Closing Accounts Receivable + Opening Accounts Receivable)/2} | 20.69                              | 17.51                              | 18%       |
| g)                                                                                                                                                                               | Trade Payable turnover Ratio    | Net Credit purchases/ Average account payable                                                              | 7.34                               | 6.07                               | 21%       |
| h)                                                                                                                                                                               | Net Capital turnover Ratio      | Net annual sales/ Shareholders Equity                                                                      | 1.37                               | 1.45                               | -6%       |
| I)                                                                                                                                                                               | Net profit Ratio                | (Net profit Margin Revenue-Cost)/Revenue                                                                   | 0.10                               | 0.10                               | -3%       |
| J)                                                                                                                                                                               | Return to capital employed      | EBIT/Capital employed                                                                                      | 0.15                               | 0.18                               | -16%      |
| K)                                                                                                                                                                               | Return on investment            | Net profit/Total Assets*100                                                                                | 7.78                               | 7.33                               | 6%        |

- Pursuant to notifications issued by Central Government notifying assistance to sugar mills in respect of export for the Sugar Season 2020-21, the company has accounted for Rs. 98.37 Cr under the head Other operating Income on fulfilment of eligibility conditions.
- The company is periodically reviewing possible impact of COVID-19 on its business and same is considered in preperation of financial statement for the year ended March 22. Review includes internal and external factors as know to the company upto the date of approval of these results to assess and finanlise the carrying amounts of it's assets and liabilities.

### 53 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

### 54 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

**For NSBP & Co.**

Chartered Accountants

FRN - 001075N

**Deepak K. Aggarwal**

Partner

Membership No.: 095541

**Aashhima V Khanna**

Company Secretary

Membership No.: A34517

**Anil Kataria**

C.F.O

PAN: AALPK4889N

**For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited**

**B B Mehta**

W.T.D

DIN:00006890

**Gautam Dalmia**

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022



## Consolidated Financial Statements

## INDEPENDENT AUDITOR'S REPORT

To  
the Members of  
Dalmia Bharat Sugar and Industries Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiary (Himshikhar Investment Limited) (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statement of the subsidiary referred to in the other matters section below,, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the relevant Rules made thereunder, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive losses, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities

for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditor were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified by us and the component auditor (as stated in their respective audit report) are presented below.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.



All Key Audit Matter related to holding company describe below:

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(1) <b>Litigations Matters &amp; Contingent liabilities (as described in note no.33 of the consolidated financial statements)</b></p> <p>The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.</p> | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"><li>Assessing the procedures implemented by the company to identify and gather the risks it is exposed to.</li><li>Discussion with the management on the development in theses litigations during the year ended 31st March, 2022.</li><li>Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable.</li><li>Verification that the accounting and / or disclosures as the case may be in the consolidated financial statements is in accordance with the assessment of legal counsel/management.</li><li>Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li></ul>                                                                                                                                                                                                                                                                                                                                            |
| <p>(2) <b>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2022</b></p> <p>As on March 31, 2022, the Company has inventory of sugar with the carrying value Rs. 914.28 Crores. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p> <p>For details: - Refer Note No 8 &amp; 37 to the Financial Statements.</p>                                              | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"><li>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li><li>Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li><li>We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li><li>Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</li><li>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</li></ul> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>(3) <b>Calculation of deferred tax liability on the basis of dual rates.</b></p> <p>From the financial year commencing April 1, 2019, the Government of India Promulgated the Taxation Laws (Amendment) Ordinance, 2019 (enacted into Taxation Laws) (Amendment) Act, 2019) has introduced Section 115BAA of the Income Tax Act 1961 in which companies can opt for lower tax rate based on certain conditions such as foregoing exemptions/deductions including deduction under chapter VI A and foregoing the benefits of MAT credit entitlement.</p> <p>As per Para 47 of IND AS 12 and clarifications given in bulletin no 23 of ITFG, where a company expects to avail of the lower tax rate only from a later financial year it should apply the lower tax rate in measurement of deferred taxes only to the extent that the deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in the periods during which the company expects to be subject to lower tax rate. To the extent deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in earlier periods, the normal tax rate should be applied.</p> <p>Based on the assessment made by the company, deferred tax liability/Assets as on March 31, 2022 has been calculated on the basis of dual rates as may be applicable in future. Measurement of deferred tax assets &amp; liabilities has resulted in reversal of deferred tax liability of Rs. 42.46 Crores.</p> <p>For details: - Refer Note No 28 to the Financial Statements</p> | <p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to the recognition of deferred tax assets/liabilities included, but were not limited to, the following:</p> <ul style="list-style-type: none"><li>Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets.</li><li>Considered the relevant accounting standards and clarifications given by ITFG for recognition of deferred tax assets and liabilities based on the tax rates expected to be applied at the time of reversal and assessed the appropriateness of the recognition of Deferred Tax Assets/Liabilities.</li><li>Evaluated the management's assessment for complying with the prescribed conditions as mentioned in the relevant notification issues by income Tax department.</li><li>Understood and verified the assumptions taken for preparation of future profit projections, utilization of MAT Credit and for migration to new tax regime as prepared by the management</li><li>Tested the arithmetical accuracy of the calculations performed by the management.</li><li>Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes.</li><li>Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.</li><li>Based on the above procedures performed, we are reasonably certain on recognition and disclosure of Deferred Tax Assets/Liabilities.</li></ul> |
| <p>(4) <b>Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims.</b></p> <p>During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognized subsidy claims amounting to Rs. 98.37 crores.</p> <p>For details: - Refer Note No. 41(a) &amp; 52 to the consolidated Financial Statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"><li>We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</li><li>Company has formulated the policy for recognition of subsidy in the books of accounts and based on the same the company has accounted the income during the year.</li><li>We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections.</li><li>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims.</li><li>The company has recognized the subsidy to the extent the company has complied with relevant notifications.</li><li>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |





| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>(5) Impairment Reversal of carrying value of property, plant and equipment (PPE).</p> <p>(Refer to note 4 &amp; 50 of the consolidated financial statement) (Rs. 21.79 Crores).</p> <p>During the year company has performed an impairment assessment for PPE by:</p> <p>Calculating the 'Value in use' for each operating segment and the cash generating unit (CGU) using a discounted cash flow model.</p> <p>We considered the value of impairment Reversal as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors to arrive at value in use comparing with the recoverable amount of CGU.</p> <p>For the purpose of 'value in use' Management has considered the various factors such as future cash flow, sugar and other by – product sales realization price, capacity utilization, cane availability, recovery of sugar from the cane, other cost of production and various Government policies and regulations.</p> | <p>Principal Audit Procedures</p> <ul style="list-style-type: none"><li>• We reviewed the impairment testing process implemented by management of the company, in order to identify trigger events and proceed to impairment testing, on the basis of cash-flow forecasts from the budget and business plan established by the Board of Management.</li><li>• To evaluate the cash flow forecasts in the model for each operating segment and the process by which they were developed, we compared previous cash flow forecasts to actual results to assess the historical accuracy of forecasting.</li><li>• Assessed the identification of the CGU which is smallest and indivisible group of assets that can generate largely independent cash inflows.</li><li>• Tested the mathematical accuracy of the model's calculations.</li><li>• To evaluate the cash flow forecast to derive the value in use using assumption and methodologies such as discount rates, cash flow forecast and terminal growth rate.</li><li>• Based on the above procedures performed, the management's estimates related to impairment of CGU are considered to be appropriate.</li></ul> |

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance.

## Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes

in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof .

The respective Boards of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for the overseeing their financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiary company which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements/ information of the entities or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters, communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) under (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

## Other Matter

We did not audit the financial statements/ financials information of one subsidiary, namely Himshikhar Investment Limited whose financial statements reflect total assets of Rs.200.28 crores as at March 31, 2022, total revenues of Rs2.10 crores, total comprehensive income (Comprising of profit/(loss) and



other comprehensive losses) of Rs. (8.16 )crores and net cash inflows amounting to Rs. 0.11 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements of subsidiary have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

- 1 As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned Other matter paragraph, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act, refer Annexure A for details of qualifications and/or adverse remarks given by the respective auditors in the Order reports of such companies.
- 2 As required by Section 143(3) of the Act, based on our audit we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books and the report of other auditor;
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income, the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, thereof;
  - e. On the basis of the written representations received from the directors of the Holding Company as on

March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary Company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's reports of the Holding Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its subsidiary company internal financial control over financial reporting of those company, for reasons stated therein; and
- g. In our opinion and to the best of our information and according to the explanations given to us and the report of the other auditor the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act, no remuneration paid by subsidiary company to its directors, hence not reported; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
  - i. The Consolidated financial statement disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its consolidated financial statements – Refer Note 33 to the Consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company incorporated in India during the year ended March 31, 2022.
  - iv. (a) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best

of their knowledge and belief , as disclosed in Note 51(iii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- (b) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, as disclosed in the Note 51(iv) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures performed by us and that performed by the auditor of the subsidiary as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. As stated in Notes 12 to the consolidated financial statement:
  - (a) The interim dividend declared and paid by the Holding Company and its subsidiary companies during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act.
  - (b) The final dividend paid by the Holding Company and its subsidiary companies during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - (c) The Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For NSBP & Co.**

Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**  
Partner

Membership No: 095541  
UDIN:-22095541ALCMOZ4054

Place: New Delhi  
Date: May 24, 2022



## Annexure A to the consolidated Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited on its financial statements dated May 24, 2022.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by Holding company and the auditor of the subsidiary included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the management of the Holding company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective auditor's and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks., except as stated below:

| S No | Name                                       | CIN                   | Holding Company / subsidiary / Associate / Joint Venture | Clause number of the CARO report which is remark adverse |
|------|--------------------------------------------|-----------------------|----------------------------------------------------------|----------------------------------------------------------|
| 1    | Dalmia Bharat Sugar and Industries Limited | L15100TN1951PLC000640 | Holding Company                                          | 3(ii)(b),3(i)(c)                                         |

For NSBP & Co.  
Chartered Accountants  
Firm Registration No. 001075N

Deepak K. Aggarwal  
Partner  
Membership No: 095541  
UDIN:-22095541ALCMOZ4054

Place: New Delhi  
Date: May 24, 2022

## Annexure B to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited ("the Holding Company") on its consolidated financial statements dated May 24, 2022.

Report on the Internal Financial Controls Over Financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section .

In conjunction with our audit of the consolidated financial statement of **Dalmia Bharat Sugar and Industries Limited** as of and for the year ended March 31, 2022. We have audited the Internal Financial Controls over Financial Reporting of **Dalmia Bharat Sugar and Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") all incorporated in India, for the year ended on that date.

### Management's Responsibilities for Internal Financial Controls

The respective Management and Board of Directors of the Holding Company and its Subsidiary Company which are incorporated in India are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" ("The ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence

to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by The Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the respective Holding and subsidiary Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Holding company including its subsidiary incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, one subsidiary company which are incorporated in India, is based on the corresponding reports of the auditors of such company.

Our audit report is not modified in respect of above matters.

For NSBP & Co.  
Chartered Accountants  
Firm Registration No. 001075N

Deepak K. Aggarwal  
Partner  
Membership No: 095541  
UDIN:-22095541ALCMOZ4054

Place: New Delhi  
Date: May 24, 2022





## Consolidated Balance Sheet as at March 31, 2022

(Rs. in crores)

|                                                                                  | Note No. | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                    |          |                         |                         |
| <b>A) Non-current assets</b>                                                     |          |                         |                         |
| a) Property, plant and equipment                                                 | 4        | 1,530.98                | 1307.81                 |
| b) Capital work - in - progress                                                  | 4        | 58.81                   | 27.13                   |
| c) Intangible assets                                                             | 4        | 0.13                    | 0.22                    |
| d) Financial assets                                                              | 5        |                         |                         |
| i) Investments                                                                   | (i)      | 293.36                  | 310.78                  |
| ii) Loans                                                                        | (ii)     | 0.05                    | 23.74                   |
| iii) Others                                                                      | (iii)    | 2.50                    | 2.54                    |
| e) Income tax assets (net)                                                       | 6        | 10.05                   | 3.35                    |
| f) Other non-current assets                                                      | 7        | 18.15                   | 21.65                   |
| <b>Total Non-current assets</b>                                                  |          | <b>1914.03</b>          | <b>1,697.22</b>         |
| <b>B) Current assets</b>                                                         |          |                         |                         |
| a) Inventories                                                                   | 8        | 1,242.39                | 1,375.03                |
| b) Financial Assets                                                              | 9        |                         |                         |
| i) Investments                                                                   | (i)      | 300.44                  | 309.68                  |
| ii) Trade receivables                                                            | (ii)     | 166.54                  | 115.26                  |
| iii) Cash and cash equivalents                                                   | (iii)    | 94.61                   | 71.29                   |
| iv) Bank Balances other than (iii) above                                         | (iv)     | 9.29                    | 8.49                    |
| v) Loans                                                                         | (v)      | 0.31                    | 0.43                    |
| vi) Others                                                                       | (vi)     | 23.23                   | 43.63                   |
| c) Other current assets                                                          | 10       | 43.64                   | 111.68                  |
| <b>Total Current assets</b>                                                      |          | <b>1,880.45</b>         | <b>2,035.49</b>         |
| Assets for disposal group classified as held for sales                           | 31(i)(a) | 27.79                   | -                       |
| <b>Total Assets</b>                                                              |          | <b>3,822.27</b>         | <b>3,732.71</b>         |
| <b>EQUITY &amp; LIABILITIES</b>                                                  |          |                         |                         |
| <b>A) Equity</b>                                                                 |          |                         |                         |
| a) Equity share capital                                                          | 11       | 16.19                   | 16.19                   |
| b) Other equity                                                                  | 12       | 2,342.89                | 2,126.50                |
| <b>Total Equity</b>                                                              |          | <b>2,359.08</b>         | <b>2142.69</b>          |
| <b>B) Liabilities</b>                                                            |          |                         |                         |
| <b>Non- current liabilities</b>                                                  |          |                         |                         |
| a) Financial liabilities                                                         | 13       |                         |                         |
| i) Borrowings                                                                    | (i)      | 337.21                  | 226.63                  |
| ii) Others                                                                       | (ii)     | 3.19                    | 3.24                    |
| b) Provisions                                                                    | 14       | 38.73                   | 33.10                   |
| c) Deferred tax liabilities (net)                                                | 15       | 161.01                  | 143.57                  |
| d) Other non current liabilities                                                 | 16       | 4.67                    | 8.52                    |
| <b>Total Non- current liabilities</b>                                            |          | <b>544.81</b>           | <b>415.06</b>           |
| <b>Current liabilities</b>                                                       |          |                         |                         |
| a) Financial liabilities                                                         | 17       |                         |                         |
| i) Borrowings                                                                    | (i)      | 481.30                  | 731.26                  |
| ii) Trade payables                                                               | (ii)     |                         |                         |
| Due to micro small and medium enterprises                                        |          | 0.55                    | 2.66                    |
| Others                                                                           |          | 260.62                  | 265.82                  |
| iii) Others                                                                      | (iii)    | 84.53                   | 66.01                   |
| b) Other current liabilities                                                     | 18       | 34.81                   | 65.85                   |
| c) Income Tax liabilities(Net)                                                   |          | 50.33                   | 37.48                   |
| d) Provisions                                                                    | 19       | 6.04                    | 5.88                    |
| <b>Total Current liabilities</b>                                                 |          | <b>918.18</b>           | <b>1174.96</b>          |
| Liabilities directly associated with disposal group classified as held for sales | 31(i)(b) | 0.20                    | -                       |
| <b>Total equity &amp; liabilities</b>                                            |          | <b>3,822.27</b>         | <b>3732.71</b>          |
| <b>Corporate Information</b>                                                     | <b>1</b> |                         |                         |
| <b>Basis of preparation of financial statement</b>                               | <b>2</b> |                         |                         |
| <b>Significant accounting policies</b>                                           | <b>3</b> |                         |                         |

The accompanying note no. 1 to 55 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP &amp; Co.

Chartered Accountants

FRN - 001075N

Deepak K. Aggarwal  
Partner  
Membership No.: 095541

Aashima V Khanna  
Company Secretary  
Membership No.: A34517

Anil Kataria  
C.F.O  
PAN: AALPK4889N

For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited

B B Mehta  
W.T.D  
DIN:00006890

Gautam Dalmia  
Managing Director  
DIN:00009758

Place : New Delhi  
Date : May 24, 2022

## Consolidated statement of profit and loss for the year ended March 31, 2022

(Rs. in crores)

|                                                                                 | Note No. | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>Continuing operations</b>                                                    |          |                                      |                                      |
| <b>I. Income</b>                                                                |          |                                      |                                      |
| Revenue from operations                                                         | 20       | 3018.25                              | 2685.56                              |
| Other income                                                                    | 21       | 63.97                                | 53.92                                |
| <b>Total Income (I)</b>                                                         |          | <b>3082.22</b>                       | <b>2739.48</b>                       |
| <b>II. Expenses</b>                                                             |          |                                      |                                      |
| Cost of raw materials consumed                                                  | 22       | 1927.86                              | 1873.80                              |
| Purchase of traded goods                                                        |          | 17.10                                | 0.00                                 |
| Change in inventories of finished goods and work in progress and stock in trade | 23       | 188.28                               | (45.17)                              |
| Employee benefits expense                                                       | 24       | 175.63                               | 142.96                               |
| Finance costs                                                                   | 25       | 34.82                                | 61.86                                |
| Depreciation and amortization expense                                           | 4 & 26   | 94.71                                | 95.53                                |
| Impairment of Property, plant and equipment                                     | 4 & 50   | (21.79)                              | 0.00                                 |
| Other expenses                                                                  | 27       | 283.51                               | 241.49                               |
| <b>Total Expenses (II)</b>                                                      |          | <b>2700.12</b>                       | <b>2370.47</b>                       |
| <b>Profit/(loss) before exceptional items and tax</b>                           |          | <b>382.10</b>                        | <b>369.01</b>                        |
| Exceptional items                                                               |          | -                                    | -                                    |
| <b>Profit/(loss) before tax</b>                                                 |          | <b>382.10</b>                        | <b>369.01</b>                        |
| Tax expense:                                                                    | 28       |                                      |                                      |
| Current tax                                                                     |          | 98.55                                | 101.85                               |
| Deferred tax                                                                    |          | (13.79)                              | (3.88)                               |
| <b>Total of tax expense</b>                                                     |          | <b>84.76</b>                         | <b>97.97</b>                         |
| <b>Profit/(loss) for the year from continuing operations</b>                    |          | <b>297.34</b>                        | <b>271.04</b>                        |
| <b>Discontinued operation</b>                                                   |          |                                      |                                      |
| Profit/(Loss) before tax from discontinued operation                            | 31(ii)   | (2.47)                               | (1.07)                               |
| Tax expense/(credit) on discontinued operation                                  | 31(ii)   | (0.86)                               | (0.37)                               |
| <b>Net profit/ (loss) for the year from discontinued operation</b>              |          | <b>(1.61)</b>                        | <b>(0.70)</b>                        |
| <b>Profit for the year</b>                                                      |          | <b>295.73</b>                        | <b>270.34</b>                        |
| Other comprehensive income from continuing and discontinued operation           | 29       |                                      |                                      |
| a i) Items that will not be reclassified to profit/(loss)                       |          | (33.55)                              | 351.76                               |
| ii) Income tax relating to items that will not be reclassified to profit/(loss) |          | 3.70                                 | (7.96)                               |
| b. i) Items that will be reclassified to profit/(loss)                          |          |                                      |                                      |
| Fair value changes on derivatives designated as cash flow hedge                 |          | (1.23)                               | 15.07                                |
| ii) Income tax relating to items that will be reclassified to profit/(loss)     |          | 0.31                                 | (5.27)                               |
| <b>Total comprehensive income for the year (net of taxes)</b>                   |          | <b>264.96</b>                        | <b>623.94</b>                        |
| (Comprising profit/(loss) and other comprehensive income for the year)          |          |                                      |                                      |
| <b>Earnings per share</b>                                                       | 30       |                                      |                                      |
| <b>Continuing operations</b>                                                    |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | 36.74                                | 33.49                                |
| Diluted (in Rs.)                                                                |          | 36.74                                | 33.49                                |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| <b>Discontinued operations</b>                                                  |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | (0.20)                               | (0.09)                               |
| Diluted (in Rs.)                                                                |          | (0.20)                               | (0.09)                               |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| <b>Continuing and Discontinued operation</b>                                    |          |                                      |                                      |
| Basic (in Rs.)                                                                  |          | 36.54                                | 33.40                                |
| Diluted (in Rs.)                                                                |          | 36.54                                | 33.40                                |
| [Face value of share Rs. 2 each]                                                |          |                                      |                                      |
| <b>Corporate Information</b>                                                    | <b>1</b> |                                      |                                      |
| <b>Basis of preparation of Financial Statement</b>                              | <b>2</b> |                                      |                                      |
| <b>Significant Accounting Policies</b>                                          | <b>3</b> |                                      |                                      |

The accompanying note no. 1 to 55 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP &amp; Co.

Chartered Accountants

FRN - 001075N

Deepak K. Aggarwal  
Partner  
Membership No.: 095541

Aashima V Khanna  
Company Secretary  
Membership No.: A34517

Anil Kataria  
C.F.O  
PAN: AALPK4889N

For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited

B B Mehta  
W.T.D  
DIN:00006890

Gautam Dalmia  
Managing Director  
DIN:00009758

Place : New Delhi  
Date : May 24, 2022



## Consolidated statement of cash flows for the year ended March 31, 2022

(Rs. in crores)

|                                                                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                             | Audited                              | Audited                              |
| <b>A. Cash Flow from Operating Activities</b>                               |                                      |                                      |
| Profit/(Loss) before tax from :                                             |                                      |                                      |
| Continuing operations                                                       | 382.10                               | 369.01                               |
| Discontinued operations                                                     | (2.47)                               | (1.07)                               |
| <b>PBT for continuing and discontinued operations</b>                       | <b>379.63</b>                        | <b>367.94</b>                        |
| Adjustments for Non-cash and Non -operating items:-                         |                                      |                                      |
| Add:-                                                                       |                                      |                                      |
| Depreciation / Amortization                                                 | 94.71                                | 95.55                                |
| Impairment reversal                                                         | (21.79)                              | 0.00                                 |
| Provision for doubtful debts/ advances                                      | 0.00                                 | 0.04                                 |
| Provision for non moving inventory                                          | 0.00                                 | 2.50                                 |
| Bad Debts/ Advances written off                                             | 0.06                                 | 0.13                                 |
| Finance Cost                                                                | 34.82                                | 61.88                                |
| Less:-                                                                      |                                      |                                      |
| Dividend Income                                                             | (1.74)                               | 0.00                                 |
| Interest Income                                                             | (2.04)                               | (9.44)                               |
| Provision for doubtful debts written back                                   | (0.16)                               | (0.45)                               |
| Provision for Non moving inventory written back                             | (0.68)                               |                                      |
| (Profit)/Loss on sale of Investments                                        | (5.15)                               | (12.67)                              |
| Changes in Fair Value of Investments                                        | (4.45)                               | (4.58)                               |
| (Profit)/Loss on sale of property, plant & equipment and Assets written off | 3.01                                 | 0.12                                 |
| Grant amortized                                                             | (5.52)                               | (16.77)                              |
| <b>Operating Profit before working Capital Changes</b>                      | <b>470.70</b>                        | <b>484.25</b>                        |
| <b>Adjustments for working Capital changes :</b>                            |                                      |                                      |
| Inventories                                                                 | 133.32                               | (48.23)                              |
| Trade and Other Payables                                                    | (40.73)                              | (89.96)                              |
| Trade and Other Receivables                                                 | 60.58                                | 6.87                                 |
| <b>Cash Generated from Operations</b>                                       | <b>623.87</b>                        | <b>352.93</b>                        |
| Direct Taxes (Paid)/Refund                                                  | (56.54)                              | (7.39)                               |
| <b>Net Cash generated from Operating activities</b>                         | <b>567.33</b>                        | <b>345.54</b>                        |
| <b>B. Cash Flow from Investing Activities</b>                               |                                      |                                      |
| Purchase of property, plant and equipment                                   | (333.40)                             | (71.88)                              |
| (Purchase)/Sale of Investments (net)                                        | 3.47                                 | 107.75                               |
| Interest Received                                                           | 2.03                                 | 1.26                                 |
| Dividend Received from Non Current Investments                              | 1.01                                 | 0.00                                 |
| <b>Net Cash used in Investing Activities</b>                                | <b>(326.89)</b>                      | <b>37.13</b>                         |
| <b>C. Cash Flow from Financing Activities</b>                               |                                      |                                      |
| Proceeds/(Repayment) of Short term Borrowings (net)                         | (249.96)                             | (121.54)                             |
| Proceeds/(Repayment) of Long term Borrowings (net)                          | 110.57                               | (197.74)                             |
| Finance Cost                                                                | (29.17)                              | (45.10)                              |
| Dividend Paid                                                               | (48.56)                              | 0.00                                 |
| Corporate Dividend tax paid                                                 | 0.00                                 | 0.00                                 |
| <b>Net cash used in financing activities</b>                                | <b>(217.12)</b>                      | <b>(364.38)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents ( A+B+C)</b>        | <b>23.32</b>                         | <b>18.29</b>                         |
| Cash and cash equivalents at the beginning of the year                      | 71.29                                | 53.00                                |
| Cash and cash equivalents at the end of the year                            | 94.61                                | 71.29                                |

## Consolidated statement of cash flows for the year ended March 31, 2022

(Rs. in crores)

| Components of Cash & Cash Equivalents  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------|-------------------------|-------------------------|
| Balances with banks                    |                         |                         |
| Cash on hand                           | 0.18                    | 0.16                    |
| Balances with banks                    | 94.43                   | 71.13                   |
| <b>Net Cash &amp; Cash Equivalents</b> | <b>94.61</b>            | <b>71.29</b>            |

## Changes in liabilities arising from financing activities:

(Rs. in crores)

| Particulars            | As at<br>March 31, 2022 | Cash flows | As at<br>March 31, 2021 |
|------------------------|-------------------------|------------|-------------------------|
| Current borrowings     | 481.30                  | (249.97)   | 731.26                  |
| Non current borrowings | 337.21                  | 110.57     | 226.63                  |

(Rs. in crores)

| Particulars            | As at<br>March 31, 2021 | Cash flows | As at<br>1st April, 2020 |
|------------------------|-------------------------|------------|--------------------------|
| Current borrowings     | 731.26                  | (121.54)   | 852.80                   |
| Non current borrowings | 226.63                  | (197.74)   | 424.39                   |

Note:

- 1) Cash & cash equivalents components are as per Note 9 (iii).
- 2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".
- 3) Last year numbers are regrouped and reclassified, wherever considered necessary.
- 4) Figure in bracket denotes cash outflow during the period.

## Note No.

Corporate Information

1

Basis of preparation of financial statement

2

Significant accounting policies

3

The accompanying note no. 1 to 55 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP &amp; Co.

Chartered Accountants

FRN - 001075N

Deepak K. Aggarwal

Partner

Membership No.: 095541

Aashhima V Khanna

Company Secretary

Membership No.: A34517

Anil Kataria

C.F.O

PAN: AALPK4889N

For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited

B B Mehta

W.T.D

DIN:00006890

Gautam Dalmia

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022



## Consolidated statement of changes in equity for the year ended March 31, 2022

### A. Equity Share Capital

(Rs. in crores)

|                                 | As at<br>March 31, 2022 | Changes<br>during the year | As at<br>March 31, 2021 | Changes<br>during the year | As at<br>April 01, 2020 |
|---------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| Balance of Equity Share Capital | 16.19                   | -                          | 16.19                   | -                          | 16.19                   |

### B. Other equity

(Rs. in crores)

|                                                                          | Reserves and Surplus |                      |                    | Items of other comprehensive income                            |                       |                                                          | Total   |
|--------------------------------------------------------------------------|----------------------|----------------------|--------------------|----------------------------------------------------------------|-----------------------|----------------------------------------------------------|---------|
|                                                                          | Capital<br>reserve   | Retained<br>earnings | General<br>Reserve | Equity instruments<br>through other<br>comprehensive<br>income | Cash<br>flow<br>hedge | Acturial Gain<br>& Losses<br>on Defined<br>Benefits Plan |         |
| Balances as at April 01, 2020                                            | 4.07                 | 1443.39              | 52.54              | 16.79                                                          | (7.92)                | (6.31)                                                   | 1502.56 |
| Movement during FY 20-21                                                 |                      |                      |                    |                                                                |                       |                                                          |         |
| Dividends including Dividend<br>distribution tax paid during the<br>year |                      |                      |                    |                                                                |                       |                                                          | -       |
| Profit for the year                                                      |                      | 270.34               | 0.00               |                                                                |                       |                                                          | 270.34  |
| Profit on sale of subsidiary<br>companies                                |                      |                      |                    |                                                                |                       |                                                          | -       |
| Other comprehensive income                                               |                      |                      |                    | 344.05                                                         | 9.80                  | (0.25)                                                   | 353.60  |
| Balances as at March 31, 2021                                            | 4.07                 | 1713.73              | 52.54              | 360.84                                                         | 1.88                  | (6.56)                                                   | 2126.50 |
| Movement during FY 21-22                                                 |                      |                      |                    |                                                                |                       |                                                          |         |
| Dividends                                                                |                      | (48.55)              |                    |                                                                |                       |                                                          | (48.55) |
| Profit for the year                                                      |                      | 295.73               |                    |                                                                |                       |                                                          | 295.73  |
| Other comprehensive income                                               |                      |                      |                    | (25.67)                                                        | (0.92)                | (4.20)                                                   | (30.79) |
| Balances as at March 31, 2022                                            | 4.07                 | 1960.91              | 52.54              | 335.17                                                         | 0.96                  | (10.76)                                                  | 2342.89 |

#### Note No.

Corporate Information  
Basis of preparation of Financial Statement  
Significant Accounting Policies

1  
2  
3

The accompanying note no. 1 to 55 are integral part of these consolidated financial statements.

As per our report of even date

**For NSBP & Co.**

Chartered Accountants

FRN - 001075N

**Deepak K. Aggarwal**

Partner

Membership No.: 095541

**Aashhima V Khanna**

Company Secretary

Membership No.: A34517

**Anil Kataria**

C.F.O

PAN: AALPK4889N

**For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited**

**B B Mehta**

W.T.D

DIN:00006890

**Gautam Dalmia**

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs).

### 2. Basis of accounting and preparation of Financial Statements

#### A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on May 24, 2022.

#### B. Principles of consolidation.

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated Financial Statements have been prepared on the following basis.

- Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.
- Non-controlling interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.
- Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.
- The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.
- Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The Consolidated Statement of Profit and Loss includes the Company's share of the result of the operations of the associate.
- Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.
- Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Consolidated Financial Statements. Differences in accounting policies have been disclosed separately.





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

- ix. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- x. The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity.

### C. Basis of preparation and presentation.

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### D. Current/Non-current assets and liabilities:

#### A. Current Assets – An asset is classified as current when:

- (a) The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) The company holds the asset primarily for the purpose of trading;
- (c) The company expects to realise the asset within twelve months after the reporting period;
- (d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

#### B. Current Liability – A liability is classified as current when:

- (a) The company expects to settle the liability in its normal operating cycle;
- (b) The company holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

### E. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

### F. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

#### a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period. The management evaluates and reviews the pattern of expected economic benefits from the asset along with commensurate method of depreciation on periodic basis and decides to follow suitable method of charging depreciation.

#### b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

### c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

### d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

### e. Impairment of financial and non-financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

### 3. Significant accounting policies

#### A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.

#### B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

#### C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

#### D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for PPE and Intangible assets:

|                                                                                  |                                                                                                               |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| A. "Plant and machinery"                                                         |                                                                                                               |
| Sugar, Cogeneration and Distillery Segment (Excluding Sanitizer)                 | Written down value method                                                                                     |
| Sanitizer                                                                        | 100% depreciation charged in the year of purchase                                                             |
| Situated at Salem (excluding earth moving machinery) Wind Farm and MLCC division | Straight line method                                                                                          |
| B. Leasehold land                                                                | Amortised over the period of lease, i.e., 99 years                                                            |
| C. Computer software                                                             | Amortised over a period of 3-5 years on a Straight line basis.                                                |
| D. Other intangible assets                                                       | Amortised over a period of maximum 10 years on a straight line basis.                                         |
| E. Capital Spares                                                                | Based on technical estimates by the management depreciated on straight line method over a period of 10 years. |
| F. Remaining Property Plant and equipment                                        | Straight Line Method                                                                                          |

During the previous year the management has reviewed the pattern of accrual of benefits alongwith the commensurate depreciation method which should be followed to depreciate it's plant and machinery; and has decided to change the method of depreciation from SLM (straight Line Method) to WDV (Written Down Value) for sugar and distillery segments.

#### E. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

##### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

#### F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

### H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

### I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

#### a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered

#### b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

#### c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

with the measurement procedure as per Indian Accounting Standard (IND AS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

### J. Inventories

- Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products (including final molasses) are valued at net realisable value. B Heavy molasses is valued at derived values based on proportionate sugar content. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
- Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.
- Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### K. Assets (or disposal group) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represent as separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before/after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 31. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

### L. Financial Instruments

#### (a) Financial Assets

##### i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

### iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

### v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

### vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

- (a) Interest calculated using EIR
- (b) Foreign exchange gain and losses; and
- (c) Impairment losses and gains

### vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

### viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

### (b) Financial liabilities & Equity

#### i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

#### iii. Subsequent Measurement of Financial Liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

#### iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

#### v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

#### vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

### viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### ix. Derivative financial instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivatives that are designated as hedges are classified as current and non current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### x. Cash flow hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

## M. Investments in Subsidiaries, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

## N. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Sale of goods

Sales is exclusive of goods and service tax (GST) and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Ind AS 115 introduces a new framework of five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

### Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Interunit transfer of power is accounted at the rate at which the company would have purchased power from grid. For consolidation purposes these transfers are eliminated from respective heads.

### Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent sold.

### Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

### Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### Sale of services

The company being a manufacturing entity does not generally provide services in the normal course of business except the travel related service.

However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

## O. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

### Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

## P. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### R. Provisions, contingent liabilities and contingent assets

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

#### Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the company recognizes the impairment on the assets with the contract.

### Contingent assets

Contingent assets are not recognized in the financial statements.

### S. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

### T. Impairment

#### Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

#### Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.





## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2022

## 4 Property plant &amp; equipment, intangible assets &amp; capital work in progress.

| Particulars                                                      | Property Plant and Equipments |                 |           |                     |                        |          |                  |          |                   |                   | (Rs. in crores) |          |  |
|------------------------------------------------------------------|-------------------------------|-----------------|-----------|---------------------|------------------------|----------|------------------|----------|-------------------|-------------------|-----------------|----------|--|
|                                                                  | Land Freehold#                | Land Lease hold | Buildings | Plant and equipment | Furniture and Fixtures | Vehicles | Office equipment | Total    | Intangible Assets |                   | Total           |          |  |
|                                                                  |                               |                 |           |                     |                        |          |                  |          | Operating Rights  | Computer Software |                 |          |  |
| Cost or revalued amount                                          |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 |          |  |
| as at 01 April,2020                                              | 582.03                        | 0.58            | 200.19    | 1,429.29            | 8.65                   | 5.69     | 5.76             | 2,232.19 | 3.64              | 2.20              | 5.84            | 2,238.04 |  |
| Additions                                                        | -                             | -               | 11.47     | 37.93               | 0.48                   | 0.32     | 0.86             | 51.06    | -                 | 0.01              | 0.01            | 51.08    |  |
| Disposals                                                        | 0.05                          | -               | 0.08      | 0.58                | 0.23                   | -        | 0.37             | 1.31     | -                 | -                 | -               | 1.31     |  |
| as at 31st March,2021                                            | 581.98                        | 0.58            | 211.58    | 1,466.64            | 8.90                   | 6.01     | 6.25             | 2,281.94 | 3.64              | 2.21              | 5.85            | 2,287.79 |  |
| Additions                                                        | 0.16                          | -               | 20.37     | 303.12              | 0.76                   | 0.04     | 1.39             | 325.84   | -                 | 0.01              | 0.01            | 325.85   |  |
| Disposal group classified as held for sale (Refer note no.31(i)) | 26.25                         | -               | 1.21      | 12.49               | 0.06                   | -        | 0.08             | 40.09    | -                 | -                 | -               | 40.09    |  |
| Disposals                                                        | -                             | -               | 0.79      | 7.90                | 0.25                   | 0.22     | 1.50             | 10.68    | -                 | -                 | -               | 10.68    |  |
| as at 31st March,2022                                            | 555.89                        | 0.58            | 229.95    | 1,749.37            | 9.35                   | 5.83     | 6.06             | 2,557.01 | 3.64              | 2.22              | 5.86            | 2,562.87 |  |
| Depreciation and amortisation                                    |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 |          |  |
| as at 01 April,2020                                              | 0.01                          | 0.17            | 80.92     | 784.41              | 6.70                   | 3.03     | 4.50             | 879.76   | 3.64              | 1.85              | 5.49            | 885.27   |  |
| Charge for the year                                              | -                             | -               | 5.53      | 88.38               | 0.36                   | 0.58     | 0.55             | 95.41    | -                 | 0.14              | 0.14            | 95.55    |  |
| Disposals                                                        | -                             | -               | 0.00      | 0.48                | 0.18                   | -        | 0.37             | 1.04     | -                 | 0.00              | -               | 1.05     |  |
| as at 31st March,2021                                            | 0.01                          | 0.17            | 86.45     | 872.31              | 6.88                   | 3.61     | 4.68             | 974.13   | 3.64              | 1.99              | 5.63            | 979.77   |  |
| Charge for the year                                              | -                             | -               | 5.73      | 87.28               | 0.40                   | 0.44     | 0.78             | 94.63    | -                 | 0.09              | 0.09            | 94.71    |  |
| Impairment reversal**                                            | -                             | -               | 3.51      | 18.28               | -                      | -        | -                | 21.79    | -                 | -                 | -               | 21.79    |  |
| Disposal group classified as held for sale (Refer note no.31(i)) | -                             | -               | 1.17      | 12.49               | 0.06                   | -        | 0.08             | 13.80    | -                 | -                 | -               | 13.80    |  |
| Disposals                                                        | -                             | -               | 0.62      | 4.60                | 0.20                   | 0.22     | 1.50             | 7.14     | -                 | 0.00              | -               | 7.13     |  |
| as at 31st March,2022                                            | 0.01                          | 0.17            | 86.88     | 924.22              | 7.02                   | 3.83     | 3.88             | 1,026.03 | 3.64              | 2.09              | 5.73            | 1,031.76 |  |
| Net Block                                                        |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 |          |  |
| as at 31st March,2021                                            | 581.97                        | 0.41            | 125.12    | 594.34              | 2.02                   | 2.40     | 1.57             | 1,307.81 | 0.00              | 0.22              | 0.22            | 1,308.03 |  |
| as at 31st March,2022                                            | 555.88                        | 0.41            | 143.07    | 825.15              | 2.33                   | 2.00     | 2.18             | 1,530.98 | 0.00              | 0.13              | 0.13            | 1,531.11 |  |
| Capital Work in Progress                                         |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 |          |  |
| as at 31st March,2021                                            |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 | 27.13    |  |
| as at 31st March,2022                                            |                               |                 |           |                     |                        |          |                  |          |                   |                   |                 | 58.81    |  |

\*\*During the year company has reversed impairment provision of Rs.21.79 cr, actually provide forth in financial year 2019-20 amounting to Rs.28.65 cr.(Refer note no. 49)

In the earlier year company has made the impairment provision for one of its unit. In the current financial year unit has earned profit and further future prospect of unit is good in terms of availability of sugarcane, better realization of sugar and other by products. Further the company has undertaken the capex plan to expand the unit to make this unit more porfitable hence, based on these positive indicators impairment provision of Rs.21.79 cr made in earlier year is written back during the current financial year.

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2022

## 4 Property plant &amp; equipment, intangible assets &amp; capital work in progress. (Cont.)

## Capital- Work-in progress - ageing schedule

| Particulars                    | As at 31st March,2022          |           |           |                   |       | As at 31st March,2021          |           |           |                   |       | (Rs. in crores) |  |  |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|--------------------------------|-----------|-----------|-------------------|-------|-----------------|--|--|
|                                | Amount in CWIP for a period of |           |           |                   | Total | Amount in CWIP for a period of |           |           |                   | Total |                 |  |  |
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |                 |  |  |
| Projects in progress*          | 58.81                          | -         | -         | -                 | 58.81 | 27.13                          | -         | -         | -                 | 27.13 |                 |  |  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     | -                              | -         | -         | -                 | -     |                 |  |  |

\* Includes preoperative expenditure pending capitalisation of Rs. 0.18 Cr (Rs. 0.14 Cr) (refer note no. 44)

\* CWIP does not include any project, completion of which is overdue or has exceeded it's cost as per plan.

## Title deeds of Immovable Properties not held in name of the company

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value      | Title deeds held in the name of | Whether title deed holder is a promoter,director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                    |
|-----------------------------------------|---------------------------------|---------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Plant and Equipments           | Freehold Land#                  | Rs. 0.13 Cr (Rs. 0.13 Cr) | Govt. of Tamil Nadu             | No                                                                                                                 | FY2003                         | Company has paid the money and took the possession but the land is still not registered in the name of the company because the documentation formalities is pending at government level |

# 2.79 acre (2.79 acre) land at salem unit.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 5. Non-current financial assets

(Rs. in crores)

|                                                                                                                                | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>5 (i). Investments</b>                                                                                                      |                         |                         |
| <b>A. Quoted</b>                                                                                                               |                         |                         |
| <b>Equity Shares Carried at Fair Value through OCI</b>                                                                         |                         |                         |
| 1885134(1885134) equity shares of Rs. 10 each fully paid up in Dalmia Bharat Limited.                                          | 281.77                  | 299.17                  |
| 122513 (162513) equity shares of Rs 10 each, fully paid up of Poddar Pigments Limited                                          | 3.64                    | 3.14                    |
| <b>Carried at Fair Value through statement of profit and loss</b>                                                              |                         |                         |
| Debt Based Mutual Funds                                                                                                        | 0.00                    | 0.00                    |
| <b>B. Unquoted</b>                                                                                                             |                         |                         |
| <b>(i) Investment in Bonds (Carried at amortised Cost)</b>                                                                     |                         |                         |
| 20 (20) units of Bank of Baroda Bonds - 8.50% to 8.99%                                                                         | 2.05                    | 2.05                    |
| 54 (54) units of Canara Bank (Perp.) Bonds - 9.55%                                                                             | 5.40                    | 5.39                    |
| 0 (5000) units of HUDCO Bonds - 8.10%                                                                                          | 0.00                    | 0.53                    |
| 5 (5) units of SBI Perpetual Bonds - 7.74%                                                                                     | 0.50                    | 0.50                    |
| <b>(iii) Others*</b>                                                                                                           |                         |                         |
| <b>Shares of Co-operative Societies (Unquoted)</b>                                                                             |                         |                         |
| DMC Employees Co-op Stores Limited                                                                                             | ((2500))                | ((2500))                |
| <b>Government or Trust Securities (Unquoted)</b>                                                                               |                         |                         |
| National Saving Certificates                                                                                                   | ((2000))                | ((2000))                |
|                                                                                                                                | <b>293.36</b>           | <b>310.78</b>           |
| Aggregate amount of quoted investments and market value thereof                                                                | 285.41                  | 302.31                  |
| Aggregate amount of unquoted investments                                                                                       | 7.95                    | 8.47                    |
| Aggregate amount of impairment in value of investments                                                                         | -                       | -                       |
| * Figures less than Rs. Fifty thousand which are required to be shown separately have been shown at actual in double brackets. |                         |                         |
| <b>5 (ii). Loans</b>                                                                                                           |                         |                         |
| (Unsecured, considered good unless stated otherwise)                                                                           |                         |                         |
| Employee and other advances                                                                                                    | 0.05                    | 23.74                   |
|                                                                                                                                | <b>0.05</b>             | <b>23.74</b>            |
| <b>5 (iii). Others</b>                                                                                                         |                         |                         |
| Fixed deposits with banks (earmarked)                                                                                          | 0.38                    | 0.43                    |
| (with remaining maturity of more than 12 months)                                                                               |                         |                         |
| Security Deposit                                                                                                               |                         |                         |
| Considered good                                                                                                                | 2.12                    | 2.11                    |
| Considered doubtful                                                                                                            | 0.28                    | 0.28                    |
| Less : Allowance for bad and doubtful advances                                                                                 | 0.28                    | 0.28                    |
|                                                                                                                                | <b>2.50</b>             | <b>2.54</b>             |

### 6. Income Tax Assets (Net)

(Rs. in crores)

|                           | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Pre paid Taxes            | 219.72                  | 163.15                  |
| Less: Provision for taxes | (209.67)                | (159.80)                |
|                           | <b>10.05</b>            | <b>3.35</b>             |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 7. Other non current assets

(Rs. in crores)

|                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good unless stated otherwise) |                         |                         |
| Capital advances                                     | 14.78                   | 19.46                   |
| Advances other than capital advances                 | 1.62                    | 1.14                    |
| Balances with Government departments under protest   | 1.75                    | 1.05                    |
|                                                      | <b>18.15</b>            | <b>21.65</b>            |

### 8. Inventories

(Rs. in crores)

|                                                                                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (Refer Note No. 3(J))(As taken, valued and certified by the management)            |                         |                         |
| Raw materials                                                                      | 76.46                   | 29.44                   |
| Work in progress                                                                   | 14.28                   | 13.05                   |
| Finished goods (including by- products and goods in transit) * (Refer Note no.37)@ | 1107.67                 | 1303.73                 |
| Stock in trade                                                                     | 6.50                    | 0.00                    |
| Stores, spare & others#                                                            | 37.48                   | 28.81                   |
|                                                                                    | <b>1,242.39</b>         | <b>1375.03</b>          |

\* after considering write down of NIL (Rs. 35.27 Cr ) in the value of inventory of sugar to it's net realizable value.

Note: Inventory is hypothecated as first pari passu charge of bankers for working capital.

#net of provision for non moving inventory Rs. 2.84 Cr (Rs. 3.52 Cr )

@includes material in transit Rs. 6.96 Cr (Rs. 2.36 Cr)

### 9. Current financial assets

#### 9 (i). Investments

(Rs. in crores)

|                                                                                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Equity Shares Carried at Fair Value through OCI</b>                                |                         |                         |
| 1312444(1312444) equity shares of Rs. 10 each fully paid up in Dalmia Bharat Limited. | 196.17                  | 208.29                  |
| <b>Investment in mutual funds (quoted)</b>                                            |                         |                         |
| (Carried at Fair Value through profit and loss)                                       |                         |                         |
| Debt based schemes                                                                    | 104.27                  | 101.39                  |
| <b>Total</b>                                                                          | <b>300.44</b>           | <b>309.68</b>           |
| Aggregate amount of quoted investments and market value thereof                       | 300.44                  | 309.68                  |
| Aggregate amount of unquoted investments                                              | -                       | -                       |
| Aggregate amount of impairment in value of investments                                | -                       | -                       |

#### 9 (ii). Trade receivables

(Rs. in crores)

|                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good | 166.54                  | 115.26                  |
|                            | <b>166.54</b>           | <b>115.26</b>           |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 9. Current financial assets (Cont.)

#### Trade Receivable ageing shedule as at 31.03.2022

| Particulars                                                                        | Outstanding for following periods from due date of payments |                    |                   |           |           |                   | Total  |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                                                    | Not Due                                                     | Less than 6 months | 6 month to 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| (i) Undisputed Trade receivables- considered good                                  | 124.34                                                      | 32.66              | 4.86              | 3.62      | -         | 0.79              | 166.27 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk |                                                             |                    |                   |           |           |                   |        |
| (iii) Undisputed Trade Receivables- credit impaired                                |                                                             |                    |                   |           |           |                   |        |
| (iv) Disputed Trade receivables- considered good                                   |                                                             |                    |                   |           |           | 0.27              | 0.27   |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    |                                                             |                    |                   |           |           |                   |        |
| (vi) Disputed Trade Receivables- Credit impaired                                   |                                                             |                    |                   |           |           |                   |        |

#### Trade Receivable ageing shedule as at 31.03.2021

| Particulars                                                                        | Outstanding for following periods from due date of payments |                    |                   |           |           |                   | Total  |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                                                    | Not Due                                                     | Less than 6 months | 6 month to 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| (i) Undisputed Trade receivables- considered good                                  | 51.38                                                       | 51.52              | 10.14             | 1.01      | 0.12      | 0.82              | 114.99 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk |                                                             |                    |                   |           |           |                   |        |
| (iii) Undisputed Trade Receivables- credit impaired                                |                                                             |                    |                   |           |           |                   |        |
| (iv) Disputed Trade receivables- considered good                                   |                                                             |                    |                   |           |           | 0.27              | 0.27   |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    |                                                             |                    |                   |           |           |                   |        |
| (vi) Disputed Trade Receivables- Credit impaired                                   |                                                             |                    |                   |           |           |                   |        |

#### 9 (iii). Cash and cash equivalents

(Rs. in crores)

|                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Cash on hand       | 0.18                    | 0.16                    |
| Balance with banks | 94.43                   | 71.13                   |
|                    | <b>94.61</b>            | <b>71.29</b>            |

#### 9 (iv). Bank balances other than cash & cash equivalents

(Rs. in crores)

|                                                                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
| - Deposits with original maturity of more than 3 months but less than 12 months* | 8.40                    | 7.73                    |
| - Earmarked balances with banks (Unpaid dividend accounts)                       | 0.89                    | 0.76                    |
|                                                                                  | <b>9.29</b>             | <b>8.49</b>             |

\*including earmarked balances of Rs. 0.90 Cr (Rs. 0.66 Cr) on account of molasses fund

#### 9 (v). Loans

(Rs. in crores)

|                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) |                         |                         |
| Loans to employees           | 0.31                    | 0.43                    |
|                              | <b>0.31</b>             | <b>0.43</b>             |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 9. Current financial assets (Cont.)

#### 9 (vi). Others

(Rs. in crores)

|                                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good)                      |                         |                         |
| Interest receivable                               | 0.23                    | 0.30                    |
| Buffer subsidy and Interest subvention receivable | 7.45                    | 26.00                   |
| Unbilled revenue*                                 | 15.43                   | 17.12                   |
| Others                                            | 0.12                    | 0.21                    |
|                                                   | <b>23.23</b>            | <b>43.63</b>            |

\* Represent Bills for the last month of FY 2021-22 and Fy2020-21 which is subsequently billed in next month.

#### 10. Other current assets

(Rs. in crores)

|                                                                        | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good)                                           |                         |                         |
| Advances other than capital advances                                   |                         |                         |
| Production/Export Subsidy Receivable                                   | 5.62                    | 84.20                   |
| Deposit and Balances with Government departments and other authorities | 30.31                   | 8.85                    |
| Other advances                                                         | 7.71                    | 18.63                   |
|                                                                        | <b>43.64</b>            | <b>111.68</b>           |

#### 11. Equity Share capital

(Rs. in crores)

|                                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised :</b>                                                  |                         |                         |
| 11,47,26,820(11,47,26,820) Ordinary equity shares of Rs. 2/- each    | 22.95                   | 22.95                   |
| 8,52,73,180 (8,52,73,180) Unclassified equity shares of Rs. 2/- each | 17.05                   | 17.05                   |
|                                                                      | <b>40.00</b>            | <b>40.00</b>            |
| <b>Issued, Subscribed and Fully Paid Up :</b>                        |                         |                         |
| 8,09,39,303 (8,09,39,303) Ordinary equity shares of Rs. 2/- each     | 16.19                   | 16.19                   |
|                                                                      | <b>16.19</b>            | <b>16.19</b>            |

#### (a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

|                              | As at March 31, 2022 |              | As at March 31, 2021 |              |
|------------------------------|----------------------|--------------|----------------------|--------------|
|                              | No. of Shares        | Rs Crores    | No. of Shares        | Rs Crores    |
| At the beginning of the year | 8,09,39,303          | 16.19        | 8,09,39,303          | 16.19        |
| Changes during the year      | -                    | -            | -                    | -            |
| At the end of the year       | <b>8,09,39,303</b>   | <b>16.19</b> | <b>8,09,39,303</b>   | <b>16.19</b> |

#### (b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of Rs.2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 11. Equity Share capital (Cont.)

#### (c) Details of shareholders holding more than 5% shares in the company

|                                                          | As at March 31, 2022 |           | As at March 31, 2021 |           |
|----------------------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                                          | No. of Shares        | % Holding | No. of Shares        | % Holding |
| <b>Ordinary Equity shares of Rs.2 each fully paid up</b> |                      |           |                      |           |
| Samagama Holdings and Commercial Private Limited         | 3,58,76,223          | 44.32%    | 3,58,75,223          | 44.32%    |
| Dalmia Bharat Limited                                    | 1,48,29,764          | 18.32%    | 1,48,29,764          | 18.32%    |
| Vanika Commercial and Holdings Private Limited           | 86,87,305            | 10.73%    | 86,87,305            | 10.73%    |

As per records of the company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### (d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:- Nil

#### (e) Shareholding patterns of Promoters:-

|                                                     | As at March 31, 2022 |                |                        |              | As at March 31, 2021 |                |
|-----------------------------------------------------|----------------------|----------------|------------------------|--------------|----------------------|----------------|
|                                                     | No. of Shares        | % Shareholding | Change during the year | % Change     | No. of Shares        | % Shareholding |
| Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)        | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Smt Kavita Dalmia                                   | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| Shri Gautam Dalmia                                  | 1,51,990             | 0.19%          | -                      | -            | 1,51,990             | 0.19%          |
| Smt. Anupama Dalmia                                 | 11,250               | 0.01%          | -                      | -            | 11,250               | 0.01%          |
| Smt. Sukeshi Dalmia                                 | 37,180               | 0.05%          | -                      | -            | 37,180               | 0.05%          |
| Smt. Vaidehi Dalmia                                 | 37,180               | 0.05%          | -                      | -            | 37,180               | 0.05%          |
| Smt. Bela Dalmia                                    | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| ALIROX ABRASIVES LIMITED                            | 1,20,360             | 0.15%          | -                      | -            | 1,20,360             | 0.15%          |
| HIMGIRI COMMERCIAL LTD                              | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| VALLEY AGRO INDUSTRIES LIMITED                      | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| KESHAV POWER LIMITED                                | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| SHREE NIRMAN LIMITED                                | 5                    | 0.00%          | -                      | -            | 5                    | 0.00%          |
| VANIKA COMMERCIAL AND HOLDINGS PRIVATE LIMITED      | 86,87,305            | 10.73%         | -                      | -            | 86,87,305            | 10.73%         |
| SAMAGAMA HOLDINGS AND COMMERCIAL PRIVATE LIMITED    | 3,58,76,223          | 44.32%         | 1,000                  | 0.001%       | 3,58,75,223          | 44.32%         |
| Dalmia Refractories Limited                         | -                    | 0.00%          | (1,000)                | -0.001%      | 1,000                | 0.001%         |
| Dalmia Bharat Limited                               | 1,48,29,764          | 18.32%         | -                      | -            | 1,48,29,764          | 18.32%         |
| Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Shri Brahma Creation Trust                          | 10                   | 0.00%          | -                      | -            | 10                   | 0.00%          |
| Y.H. Dalmia Parivar Trust                           | 3,27,630             | 0.40%          | -                      | -            | 3,27,630             | 0.40%          |
| J.H. Dalmia                                         | -                    | 0.00%          | (5,55,175)             | -0.69%       | 5,55,175             | 0.69%          |
| J.H. Dalmia Trust                                   | 5,55,175             | 0.69%          | 5,55,175               | 0.69%        | -                    | 0.00%          |
| <b>Total Promoter's shareholding</b>                | <b>6,06,34,122</b>   | <b>74.91%</b>  | <b>-</b>               | <b>0.00%</b> | <b>6,06,34,122</b>   | <b>74.91%</b>  |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 11. Equity Share capital (Cont.)

#### Shareholding patterns of Promoters:-

|                                                     | As at 31st March 2021 |                |                        |              | As at 31st March 2020 |                |
|-----------------------------------------------------|-----------------------|----------------|------------------------|--------------|-----------------------|----------------|
|                                                     | No. of Shares         | % Shareholding | Change during the year | % Change     | No. of Shares         | % Shareholding |
| Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)        | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| Smt Kavita Dalmia                                   | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| Shri Gautam Dalmia                                  | 1,51,990              | 0.19%          | -                      | -            | 1,51,990              | 0.19%          |
| Smt. Anupama Dalmia                                 | 11,250                | 0.01%          | -                      | -            | 11,250                | 0.01%          |
| Smt. Sukeshi Dalmia                                 | 37,180                | 0.05%          | -                      | -            | 37,180                | 0.05%          |
| Smt. Vaidehi Dalmia                                 | 37,180                | 0.05%          | -                      | -            | 37,180                | 0.05%          |
| Smt. Bela Dalmia                                    | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| ALIROX ABRASIVES LIMITED                            | 1,20,360              | 0.15%          | -                      | -            | 1,20,360              | 0.15%          |
| HIMGIRI COMMERCIAL LTD                              | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| VALLEY AGRO INDUSTRIES LIMITED                      | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| KESHAV POWER LIMITED                                | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| SHREE NIRMAN LIMITED                                | 5                     | 0.00%          | -                      | -            | 5                     | 0.00%          |
| VANIKA COMMERCIAL AND HOLDINGS PRIVATE LIMITED      | 86,87,305             | 10.73%         | -                      | -            | 86,87,305             | 10.73%         |
| SAMAGAMA HOLDINGS AND COMMERCIAL PRIVATE LIMITED    | 3,58,75,223           | 44.32%         | -                      | -            | 3,58,75,223           | 44.32%         |
| Dalmia Refractories Limited                         | 1,000                 | 0.00%          | -                      | -            | 1,000                 | 0.001%         |
| Dalmia Bharat Limited                               | 1,48,29,764           | 18.32%         | -                      | -            | 1,48,29,764           | 18.32%         |
| Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust | 10                    | 0.00%          | -                      | -            | 10                    | 0.00%          |
| Shri Brahma Creation Trust                          | 10                    | 0.00%          | (3,27,630)             | -100.00%     | 3,27,640              | 0.40%          |
| Y.H. Dalmia Parivar Trust                           | 3,27,630              | 0.40%          | 3,27,630               | 100.00%      | -                     | 0.00%          |
| J.H. Dalmia                                         | 5,55,175              | 0.69%          | -                      | -            | 5,55,175              | 0.69%          |
| J.H. Dalmia Trust                                   | -                     | 0.00%          | -                      | -            | -                     | 0.00%          |
| <b>Total Promoter's shareholding</b>                | <b>6,06,34,122</b>    | <b>74.91%</b>  | <b>-</b>               | <b>0.00%</b> | <b>6,06,34,122</b>    | <b>74.91%</b>  |

### 12. Other Equity

(Rs. in crores)

|                                                                             | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| <b>Reserve &amp; Surplus</b>                                                |                      |                      |
| <b>Capital reserve</b>                                                      |                      |                      |
| Opening balance as per last financial statements                            | 4.07                 | 4.07                 |
| Changes during the year                                                     | -                    | -                    |
| Closing balance                                                             | <b>4.07</b>          | <b>4.07</b>          |
| <b>General reserve</b>                                                      |                      |                      |
| Opening balance as per last financial statements                            | 52.54                | 52.54                |
| Add:- Amount transferred from surplus balance in statement of profit & loss | -                    | -                    |
| Add:- Amount transferred from Debenture redemption reserve                  | -                    | -                    |
| Closing balance                                                             | <b>52.54</b>         | <b>52.54</b>         |
| <b>Surplus in the statement of profit and loss</b>                          |                      |                      |
| Balance as per last financial statements                                    | 1713.73              | 1443.39              |
| Profit for the year                                                         | 295.73               | 270.34               |
| Less: appropriations                                                        |                      |                      |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

|                                                        |                |                |
|--------------------------------------------------------|----------------|----------------|
| (i) Transfer to general reserve                        | -              | -              |
| (ii) Final/Interim dividend on ordinary shares *       | (48.55)        | -              |
| <b>Total appropriations</b>                            | <b>(48.55)</b> | <b>-</b>       |
| <b>Net surplus in the statement of profit and loss</b> | <b>1960.91</b> | <b>1713.73</b> |
| <b>Total reserves and surplus</b>                      | <b>2017.52</b> | <b>1770.34</b> |
| <b>Other Comprehensive Income</b>                      |                |                |
| <b>Opening Balance</b>                                 | 356.16         | 2.56           |
| Addition/(reduction) during the year                   | (30.79)        | 353.60         |
| Closing Balance                                        | <b>325.37</b>  | <b>356.16</b>  |
| <b>Total Other Equity</b>                              | <b>2342.89</b> | <b>2126.50</b> |

|                                                                                                                                                                                              |                                 |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>* Dividend distribution made and proposed</b>                                                                                                                                             | (Rs. in crores)                 |                                 |
|                                                                                                                                                                                              | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| <b>Cash dividends on equity shares declared and paid :</b>                                                                                                                                   |                                 |                                 |
| Final dividend for year ended March 31, 2021: Rs. 3 per share (March 31, 2020: Rs. Nil per share)                                                                                            | 24.28                           | -                               |
| Interim dividends for the year ended on March 31, 2022: Rs. 3 per share (March 31, 2021: Rs. Nil per share) #                                                                                | 24.28                           | -                               |
|                                                                                                                                                                                              | <b>48.55</b>                    | <b>-</b>                        |
| <b>Proposed dividends on equity shares:</b>                                                                                                                                                  |                                 |                                 |
| Final dividend for the year ended on March 31, 2022: Rs. 1 per share (March 31, 2021: Rs. 3 per share) subject to approval of shareholders and not recognised as liability in the Financials | 8.09                            | 24.28                           |
|                                                                                                                                                                                              | <b>8.09</b>                     | <b>24.28</b>                    |

- Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.
- Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act, 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Other Comprehensive Income includes fair valuation of equity instruments, retirement benefits and profits and losses on account of cash flow hedge for unexecuted contracts.

### 13. Non current financial liabilities

|                                                           |                             |        |                             |        |
|-----------------------------------------------------------|-----------------------------|--------|-----------------------------|--------|
| <b>13 (i). Borrowings</b>                                 | (Rs. in crores)             |        |                             |        |
|                                                           | <b>As at March 31, 2022</b> |        | <b>As at March 31, 2021</b> |        |
| <b>Secured</b>                                            |                             |        |                             |        |
| Term loans:                                               |                             |        |                             |        |
| i. From banks                                             |                             |        |                             |        |
| Less: Shown in current maturities of long term borrowings | 319.11                      |        | 162.98                      |        |
|                                                           | 22.81                       | 296.30 | 8.94                        | 154.04 |
| ii. From other parties                                    |                             |        |                             |        |
| Less: Shown in current maturities of long term borrowings | 72.59                       |        | 105.64                      |        |
|                                                           | 31.68                       | 40.91  | 33.05                       | 72.59  |
| (Refer note no. 17(i) for current maturities)             |                             | 337.21 |                             | 226.63 |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 13. Non current financial liabilities (Cont.)

| (Rs. in crores)               |                                                               |                        |                        |                                  |                                        |
|-------------------------------|---------------------------------------------------------------|------------------------|------------------------|----------------------------------|----------------------------------------|
| S. No.                        | Particulars                                                   | As at 31st, March 2022 | As at 31st, March 2021 | Fixed/ Fluctuating interest rate | Rate of interest                       |
| <b>Non Current Borrowings</b> |                                                               |                        |                        |                                  |                                        |
| <b>A) From Bank</b>           |                                                               |                        |                        |                                  |                                        |
| a)                            | Axis Bank for capital expenditure                             | -                      | 64.15                  | Fluctuating                      | One year MCLR+0.75%, Presently 7.50%   |
| b)                            | HDFC Term Loan for Nigohi Distillery                          | 45.00                  | 50.00                  | Fluctuating                      | 60bps over 1year MCLR,Presently 7.20%  |
| c)                            | HDFC Term Loan for Jawaharpur Distillery Expansion            | 9.75                   | 10.83                  | Fluctuating                      | 60 bps over 1year MCLR,Presently 7.20% |
| d)                            | HDFC Term Loan for Jawaharpur Distillery Incineration Boiler  | 36.10                  | 38.00                  | Fluctuating                      | 60 bps over 1year MCLR,Presently 7.20% |
| e)                            | HDFC Term Loan for Ramgarh Distillery                         | 103.64                 | 0.00                   | Fluctuating                      | Repo Rate + 2.38%,Presently 6.38%      |
| f)                            | HDFC Term Loan for Jawaharpur Distillery Expansion            | 45.85                  | 0.00                   | Fluctuating                      | Repo Rate + 2.38%,Presently 6.38%      |
| g)                            | HDFC Term Loan for Jawaharpur Grain Distillery Expansion      | 29.98                  | 0.00                   | Fluctuating                      | 3 Months T Bill rate, Presently 7%     |
| h)                            | HDFC Term Loan for Kolhapur Distillery Expansion              | 21.75                  | 0.00                   | Fluctuating                      | Repo Rate + 2.38%,Presently 6.38%      |
| i)                            | HDFC Term Loan for Nigohi Distillery Expansion                | 27.39                  | 0.00                   | Fluctuating                      | Repo Rate + 2.38%,Presently 6.38%      |
|                               | Notional reduction in loan balances due to IND AS adjustments | (0.34)                 | 0.00                   |                                  |                                        |
|                               | <b>Total</b>                                                  | <b>319.11</b>          | <b>162.98</b>          |                                  |                                        |
| <b>B) From Others</b>         |                                                               |                        |                        |                                  |                                        |
| a)                            | Sugar Development Fund Loans                                  | 11.46                  | 18.18                  | Fixed                            | 4.75% to 5.75%                         |
| b)                            | Soft loan from UP Government (SEFASU 2018 Scheme)             | 65.03                  | 95.04                  | Fixed                            | 5% Simple Interest                     |
|                               | Notional reduction in loan balances due to IND AS adjustments | (3.90)                 | (7.58)                 |                                  |                                        |
|                               | <b>Total</b>                                                  | <b>72.59</b>           | <b>105.64</b>          |                                  |                                        |
|                               | <b>G Total</b>                                                | <b>391.70</b>          | <b>268.62</b>          |                                  |                                        |

#### Nature of securities, Interest & repayment Terms.

##### A) Details of Loans taken from Banks:-

- Axis Bank Term Loan was secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting 31st March 2018.
- HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of Ethanol Plant at Nigohi payable in 40 equal quarterly installments starting from May'21.
- HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable and immovable fixed asset of Ethanol Plant at Jawaharpur payable in 40 equal quarterly installments starting from May'21.
- HDFC Bank Term Loan for Jawaharpur distillery incineration boiler is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Jawaharpur payable in 40 equal quarterly installments starting from Dec'22
- HDFC Bank Term Loan for Ramgarh distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Ramgarh payable in 36 equal quarterly installments starting from Dec'22.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 13. Non current financial liabilities (Cont.)

- f) HDFC Bank Term Loan for Jawaharpur distillery expansion is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Jawaharpur payable in 36 equal quarterly installments starting from Dec'22.
- g) HDFC Bank Term Loan for Jawaharpur grain distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of Grain Ethanol Plant at Jawaharpur payable in 36 equal quarterly installments starting from March'23.
- h) HDFC Bank Term Loan for Kolhapur distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Kolhapur payable in 36 equal quarterly installments starting from Dec'22.
- i) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Nigohi payable in 36 equal quarterly installments starting from Sep'22.

#### B) Details of Loans taken from entities other than banks:-

- a) Sugar Development Fund (SDF) loans are secured by guarantees given by banks on behalf of the company and are repayable in unequal structured installments.
- b) SEFASU 2018 term loan is secured by first pari passu charge on movable and immovable fixed assets of Ramgarh, Jawaharpur and Nigohi sugar units.

Note:- Term loan raised during the year has been used for same purpose it was availed.

| 13 (ii). Others (Rs. in crores) |                         |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Carried at amortised cost:-     |                         |                         |
| Other liabilities               | 3.19                    | 3.24                    |
|                                 | <b>3.19</b>             | <b>3.24</b>             |

| 14. Non current provisions (Rs. in crores) |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Provision for employee benefits            | 38.73                   | 33.10                   |
|                                            | <b>38.73</b>            | <b>33.10</b>            |

### 15. Deferred tax liabilities (Net)

#### A) Major components of deferred tax liabilities as on 31 March 2022 and movement during the year 2021-22.

|                                                              | As at<br>March 31, 2022 | MAT<br>credit<br>utilized | Recognised<br>in statement<br>of profit &<br>loss | Recognised<br>in other<br>comprehensive<br>income | As at<br>March 31, 2021 |
|--------------------------------------------------------------|-------------------------|---------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------|
| Property, plant & equipment including fair valuation of land | 223.80                  |                           | (11.18)                                           |                                                   | 234.99                  |
| Others                                                       | 9.50                    |                           | (2.18)                                            |                                                   | 11.66                   |
| Expenses allowed on payment basis                            | (9.57)                  |                           | (0.13)                                            | (4.01)                                            | (5.43)                  |
| MAT Credit Entitlement                                       | (62.72)                 | 34.93                     |                                                   |                                                   | (97.65)                 |
| <b>Net Deferred tax liability / (asset)</b>                  | <b>161.01</b>           | <b>34.93</b>              | <b>(13.49)</b>                                    | <b>(4.01)</b>                                     | <b>143.57</b>           |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 15. Deferred tax liabilities (Net) (Cont.)

#### B) Major components of deferred tax liabilities as on 31 March 2021 and movement during the year 2020-21. (Rs. in crores)

|                                                              | As at<br>March 31, 2021 | MAT<br>credit<br>utilized | Recognised in<br>statement of profit &<br>loss/MAT credit utilized | Recognised<br>in other<br>comprehensive<br>income | As at<br>March 31, 2020 |
|--------------------------------------------------------------|-------------------------|---------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|
| Property, plant & equipment including fair valuation of land | 234.99                  |                           | (2.38)                                                             | -                                                 | 237.37                  |
| Others                                                       | 11.66                   |                           | 1.29                                                               | -                                                 | 10.37                   |
| Expenses allowed on payment basis                            | (5.43)                  |                           | (2.23)                                                             | 13.23                                             | (16.43)                 |
| MAT Credit Entitlement                                       | (97.65)                 | 32.53                     | (0.57)                                                             | -                                                 | (129.61)                |
| <b>Net Deferred tax liability / (asset)</b>                  | <b>143.57</b>           | <b>32.53</b>              | <b>(3.89)</b>                                                      | <b>13.23</b>                                      | <b>101.70</b>           |

### 16. Other non current liabilities (Rs. in crores)

|                                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------------|-------------------------|-------------------------|
| Government Grant                                 | 4.67                    | 8.52                    |
| (Refer note no. 41 for movement during the year) | <b>4.67</b>             | <b>8.52</b>             |

### 17. Current financial liabilities

#### 17 (i). Borrowings (Rs. in crores)

|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                             |                         |                         |
| <b>loans from banks</b>                    |                         |                         |
| Working capital/short term loans           | 425.00                  | 590.00                  |
| Cash credit limit                          | 1.81                    | 0.09                    |
| Current maturities of long term borrowings | 54.49                   | 41.99                   |
| <b>Unsecured</b>                           |                         |                         |
| Commercial Papers                          | 0.00                    | 99.18                   |
|                                            | <b>481.30</b>           | <b>731.26</b>           |

- (i) Working capital Loan/short term loan and cash credit are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 4.0% to 4.5%.
- (ii) Commercial Papers issued were repayable during next one year and carry interest in the range of 4.50%.
- (iii) Quarterly drawing power/Current asset statements as submitted with bank is within the limits derived as per quarterly financial numbers and actual borrowings at each quarter end is lower than the drawing power limit submitted with banks.

#### 17 (ii). Trade payables (Rs. in crores)

|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Trade Payables                  |                         |                         |
| - Micro and small enterprises * | 0.55                    | 2.66                    |
| - Others                        | 260.62                  | 265.82                  |
|                                 | <b>261.17</b>           | <b>268.48</b>           |





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 17. Current financial liabilities (Cont.)

#### Trade payables ageing schedule:-

| Detail of Dues             | Trade Payable ageing shedule as at 31.03.2022              |         |                 |           |           |                   |        |
|----------------------------|------------------------------------------------------------|---------|-----------------|-----------|-----------|-------------------|--------|
|                            | Outstanding for following periods from due date of payment |         |                 |           |           |                   | Total  |
|                            | Unbilled                                                   | Not Due | Less than 1year | 1-2 Years | 2-3 Years | More than 3 Years |        |
| (i) MSME                   |                                                            | 0.55    |                 |           |           |                   | 0.55   |
| (ii) Others                |                                                            | 49.75   | 185.91          | 0.49      | 0.52      | 23.96             | 260.62 |
| (iii) Disputed dues- MSME  |                                                            |         |                 |           |           |                   |        |
| (iv) Disputed dues- Others |                                                            |         |                 |           |           |                   |        |

| Particulars                | Trade Payable ageing shedule as at 31.03.2021              |         |                 |           |           |                   |        |
|----------------------------|------------------------------------------------------------|---------|-----------------|-----------|-----------|-------------------|--------|
|                            | Outstanding for following periods from due date of payment |         |                 |           |           |                   | Total  |
|                            | Unbilled                                                   | Not Due | Less than 1year | 1-2 Years | 2-3 Years | More than 3 Years |        |
| (i) MSME                   |                                                            | 2.66    |                 |           |           |                   | 2.66   |
| (ii) Others                |                                                            | 32.30   | 209.04          | 0.52      | 0.25      | 23.71             | 265.82 |
| (iii) Disputed dues- MSME  |                                                            |         |                 |           |           |                   |        |
| (iv) Disputed dues- Others |                                                            |         |                 |           |           |                   |        |

Note:- Trade payable more than 3 years includes liability provided for in books of account on account of society commission matter pending under litigation.

\* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.

(refer note no. 36)

#### 17 (iii). Other financial liabilities

(Rs. in crores)

|                                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------------|-------------------------|-------------------------|
| Interest accrued but not due on borrowings | 6.21                    | 6.93                    |
| Unclaimed dividend *                       | 0.89                    | 0.76                    |
| Others:-                                   |                         |                         |
| Accrued salaries & benefits                | 3.45                    | 3.49                    |
| Capital Creditors                          | 30.45                   | 10.05                   |
| Security deposits received                 | 2.18                    | 3.69                    |
| Others                                     | 41.35                   | 41.09                   |
|                                            | <b>84.53</b>            | <b>66.01</b>            |

\* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

### 18. Other current liabilities

(Rs. in crores)

|                                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Advances from customers                                              | 4.35                    | 14.61                   |
| Statutory dues                                                       | 7.23                    | 7.55                    |
| Government grant (Refer note no. 41(b) for movement during the year) | 3.80                    | 3.80                    |
| Others                                                               | 19.43                   | 39.89                   |
|                                                                      | <b>34.81</b>            | <b>65.85</b>            |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 19. Provisions (current)

(Rs. in crores)

|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | 6.04                    | 5.88                    |
|                                 | <b>6.04</b>             | <b>5.88</b>             |

### 20. Revenue from operations

(Rs. in crores)

|                                                          | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue from contracts with customers</b>             |                                      |                                      |
| Sugar and allied products                                | 2065.62                              | 1908.11                              |
| Power                                                    | 106.27                               | 140.58                               |
| Distillery                                               | 697.73                               | 437.60                               |
| Others                                                   | 11.74                                | 8.18                                 |
|                                                          | <b>2881.36</b>                       | <b>2494.47</b>                       |
| <b>Sales of traded goods</b>                             | 33.03                                |                                      |
| <b>Sales of services</b>                                 | 1.11                                 | 0.51                                 |
| <b>Other Operating Revenue</b>                           |                                      |                                      |
| REC Sales                                                | 3.48                                 | 0.48                                 |
| Export Subsidy by Central Government (refer note no. 41) | 98.37                                | 189.66                               |
| Others                                                   | 0.90                                 | 0.44                                 |
|                                                          | <b>3018.25</b>                       | <b>2685.56</b>                       |

#### Notes: Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

|                                              |                |                |
|----------------------------------------------|----------------|----------------|
| Revenue as per contract price                | 2917.90        | 2494.98        |
| Less: Discounts and incentives               | (2.40)         | 0.00           |
| <b>Revenue from contracts with customers</b> | <b>2915.50</b> | <b>2494.98</b> |

#### Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss:

|                                                          |                |                |
|----------------------------------------------------------|----------------|----------------|
| Total net revenue from contracts from customers          | 2915.50        | 2494.98        |
| <b>Add: items not included in disaggregated revenue:</b> |                |                |
| other operating revenue                                  | 102.75         | 190.58         |
| <b>Revenue as per the statement of profit and loss</b>   | <b>3018.25</b> | <b>2685.56</b> |

### 21. Other income

(Rs. in crores)

|                                                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Dividend income from non current investment                        | 1.74                                 | 0.00                                 |
| Interest Income from bank deposits and others                      | 1.99                                 | 9.44                                 |
| Profit on sale of investments                                      | 5.15                                 | 12.67                                |
| Profit on changes in Fair valuation of investments (net of losses) | 4.45                                 | 4.58                                 |
| Gain on foreign exchange fluctuation (net of losses)               | 0.38                                 | 0.00                                 |
| Government Grant (refer note no. 41)                               | 5.52                                 | 16.77                                |
| Balances & provisions written back                                 | 35.57                                | 2.17                                 |
| Reversal of provision for doubtful debts                           | 0.16                                 | 0.00                                 |
| Reversal of provision for non moving inventory                     | 0.68                                 | 0.00                                 |
| Miscellaneous receipts                                             | 8.33                                 | 8.29                                 |
|                                                                    | <b>63.97</b>                         | <b>53.92</b>                         |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 22. Cost of raw materials consumed

(Rs. in crores)

|                          | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------|--------------------------------------|--------------------------------------|
| Sugar Cane & Molasses    | 1923.64                              | 1864.42                              |
| Raw Magnesite            | 1.47                                 | 8.11                                 |
| Others                   | 2.75                                 | 1.27                                 |
|                          | <b>1927.86</b>                       | <b>1873.80</b>                       |
| Purchase of traded goods | 17.10                                | 0.00                                 |
|                          | <b>17.10</b>                         | <b>0.00</b>                          |

### 23. Changes in inventories of finished goods, work in progress

(Rs. in crores)

|                       | For the year ended March 31,<br>2022 | For the year ended March 31,<br>2021 |
|-----------------------|--------------------------------------|--------------------------------------|
| (Refer Note No. 3(j)) |                                      |                                      |
| Finished goods        |                                      |                                      |
| - Closing stock       | 1107.67                              | 1303.73                              |
| - Opening stock       | 1303.70                              | 1258.94                              |
|                       | 196.03                               | (44.79)                              |
| Work-in-process       |                                      |                                      |
| - Closing stock       | 14.28                                | 13.03                                |
| - Opening stock       | 13.03                                | 12.65                                |
|                       | (1.25)                               | (0.38)                               |
| Stock in trade        |                                      |                                      |
| - Closing stock       | 6.50                                 | 0.00                                 |
| - Opening stock       | 0.00                                 | 0.00                                 |
|                       | (6.50)                               | 0.00                                 |
|                       | <b>188.28</b>                        | <b>(45.17)</b>                       |

### 24. Employee benefits expense

(Rs. in crores)

|                                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages, bonus and other payments          | 159.22                               | 128.89                               |
| Contribution to provident fund and other funds     | 12.30                                | 11.42                                |
| Workmen and staff welfare expenses                 | 4.54                                 | 2.65                                 |
|                                                    | 176.06                               | 142.96                               |
| Less: Employee cost capitalised (Refer Note No.44) | 0.43                                 | -                                    |
|                                                    | <b>175.63</b>                        | <b>142.96</b>                        |

### 25. Finance Costs

(Rs. in crores)

|                                                     | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest                                            |                                      |                                      |
| - On term loans, WCDL & commercial papers           | 33.82                                | 58.92                                |
| - On other borrowing from banks                     | 0.10                                 | 0.06                                 |
| Other borrowing costs                               | 1.74                                 | 2.84                                 |
| Interest on Statutory dues                          | 0.04                                 | 0.04                                 |
|                                                     | <b>35.70</b>                         | <b>61.86</b>                         |
| Less: Interest cost capitalised(refer note no. 44 ) | 0.88                                 | 0.00                                 |
|                                                     | <b>34.82</b>                         | <b>61.86</b>                         |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 26. Depreciation and amortization expenses

(Rs. in crores)

|                                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on property, plant & equipment | 94.62                                | 95.40                                |
| Amortization of intangible assets           | 0.09                                 | 0.13                                 |
|                                             | <b>94.71</b>                         | <b>95.53</b>                         |

### 27. Other Expenses

(Rs. in crores)

|                                                                                         | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Power and Fuel                                                                          | 30.70                                | 34.25                                |
| Packing Materials                                                                       | 21.59                                | 24.66                                |
| Consumption of Stores and Spares Parts                                                  | 30.86                                | 21.71                                |
| Repairs and Maintenance :                                                               |                                      |                                      |
| - Plant & Machinery                                                                     | 42.59                                | 35.93                                |
| - Buildings                                                                             | 1.45                                 | 1.71                                 |
| - Others                                                                                | 0.52                                 | 0.66                                 |
| Rent                                                                                    | 1.18                                 | 1.93                                 |
| Rates and Taxes                                                                         | 6.74                                 | 6.63                                 |
| Insurance                                                                               | 4.85                                 | 3.87                                 |
| Travelling                                                                              | 1.30                                 | 0.38                                 |
| Advertisement and Publicity                                                             | 2.96                                 | 0.21                                 |
| Management Service Charges                                                              | 18.57                                | 14.65                                |
| Freight and Forwarding Charges (net of recoveries)                                      | 58.93                                | 36.22                                |
| Loss on foreign exchange fluctuation (net of gain)                                      | 0.00                                 | 10.32                                |
| Selling Expenses                                                                        | 11.82                                | 9.05                                 |
| Export facilitation charges                                                             | 7.15                                 | 0.01                                 |
| Commission paid to Other Selling Agents                                                 | 2.32                                 | 3.15                                 |
| Rebates, Discount and Allowances                                                        | 0.07                                 | 0.14                                 |
| Director's Sitting Fees                                                                 | 0.20                                 | 0.16                                 |
| Charity and Donation                                                                    | 0.35                                 | 1.53                                 |
| Assets written off / Loss on sale of Fixed Assets (net profits on sale of Fixed Assets) | 3.01                                 | 0.12                                 |
| Provision for non moving inventory                                                      | 0.00                                 | 2.50                                 |
| Bad Debts written Off                                                                   | 0.06                                 | 0.13                                 |
| Provision for Doubtful Debts                                                            | 0.00                                 | 0.04                                 |
| Contribution to political parties                                                       | 2.25                                 | 0.00                                 |
| CSR Expenses (refer note no. 48 (e) )                                                   | 4.80                                 | 3.87                                 |
| Miscellaneous Expenses                                                                  | 31.08                                | 27.80                                |
|                                                                                         | <b>285.35</b>                        | <b>241.63</b>                        |
| Less: Expenses Capitalised                                                              | 1.84                                 | 0.14                                 |
|                                                                                         | <b>283.51</b>                        | <b>241.49</b>                        |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 28. Tax expense

(i) The major components of income tax expense for the financial year 2021-22 & 2020-21 are as follows:-

|                                                                | (Rs. in crores)                      |                                      |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
| <b>Statement of profit and loss:</b>                           |                                      |                                      |
| Current income tax*                                            | 97.69                                | 101.48                               |
| Deferred tax on timing differences                             | (13.79)                              | (3.88)                               |
| Mat credit entitlement                                         | -                                    | 0.00                                 |
| <b>Total</b>                                                   | <b>83.90</b>                         | <b>97.60</b>                         |
| <b>Other comprehensive income:</b>                             |                                      |                                      |
| Income tax relating to items recognised in OCI during the year | 4.01                                 | (13.23)                              |
|                                                                | <b>4.01</b>                          | <b>(13.23)</b>                       |

\*Income tax adjustments are done in books of accounts on the basis of income tax assessments.

(ii) Reconciliation of deferred tax and accounting profit multiplied by India's domestic tax rate for the year:-

|                                                                   | (Rs. in crores)                      |                                      |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
| Accounting profits before tax                                     | 379.63                               | 367.94                               |
| Applicable tax rate                                               | 34.944%                              | 34.944%                              |
| Computed tax expense                                              | <b>132.66</b>                        | <b>128.57</b>                        |
| Tax impact on additions of permanent nature                       | 1.28                                 | 1.47                                 |
| Impact of 80IA deduction for tax holiday period                   | (6.07)                               | (38.04)                              |
| Reversal of deferred tax liability due to new regime to be opted# | (42.46)                              | 0.00                                 |
| Others                                                            | (1.51)                               | 5.60                                 |
|                                                                   | <b>83.90</b>                         | <b>97.60</b>                         |

#Pursuant to introduction of section 115BAA of the Income Tax Act, 1961, the domestic companies have option to pay corporate Income tax at reduced rate plus applicable surcharge and cess (New Tax Rate) by foregoing certain exemptions / deduction and minimum alternate tax (MAT) credits. In the year ended March 31, 2022, the company has made an assessment of the impact of the same and decided to continue with the existing tax structure until utilization of deductions and accumulated MAT credits. Accordingly, Company has re-measured its deferred tax assets and liabilities.

### 29. Other Comprehensive Income

|                                                                                  | (Rs. in crores)                      |                                      |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
| <b>(A)</b> (i) Items that will not be reclassified to profit/(loss)              |                                      |                                      |
| Fair valuation of equity instruments                                             | (28.91)                              | 352.15                               |
| Retiral benefits component                                                       | (4.64)                               | (0.39)                               |
| (ii) Income tax relating to items that will not be reclassified to profit/(loss) | 3.70                                 | (7.96)                               |
| <b>(B)</b> (i) Items that will be reclassified to profit/(loss)                  |                                      |                                      |
| Fair value changes on derivatives designated as cash flow hedge                  | (1.23)                               | 15.07                                |
| (ii) Income tax relating to items that will be reclassified to profit/(loss)     | 0.31                                 | (5.27)                               |
|                                                                                  | <b>(30.79)</b>                       | <b>353.60</b>                        |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 30. Earning Per Share

|                                                                        | (Rs. in crores)                      |                                      |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
| <b>(a) Continuing operations</b>                                       |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | 297.34                               | 271.04                               |
| Number of equity shares outstanding during the year (weighted average) | 80939303                             | 80939303                             |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | 36.74                                | 33.49                                |
| Diluted                                                                | 36.74                                | 33.49                                |
| <b>(b) Discontinued operation</b>                                      |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | (1.61)                               | (0.70)                               |
| Number of equity shares outstanding during the year (weighted average) | 80939303                             | 80939303                             |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | (0.20)                               | (0.09)                               |
| Diluted                                                                | (0.20)                               | (0.09)                               |
| <b>(c) Continued and Discontinued operations- Combined</b>             |                                      |                                      |
| Net profit/(loss) attributable to equity shareholders (Rs. in crores)  | 295.73                               | 270.34                               |
| Number of equity shares outstanding during the year (weighted average) | 8,09,39,303                          | 8,09,39,303                          |
| Face value of equity shares (Rs. per share)                            | 2.00                                 | 2.00                                 |
| Earning per share (Amount in Rs.)                                      |                                      |                                      |
| Basic                                                                  | 36.54                                | 33.40                                |
| Diluted                                                                | 36.54                                | 33.40                                |

### 31(i). Assets & Liabilities of disposal group classified as held for sale

|                                                                 | (Rs. in crores)         |
|-----------------------------------------------------------------|-------------------------|
|                                                                 | As at<br>March 31, 2022 |
| <b>a) Assets for disposal group classified as held for sale</b> |                         |
| a) Property, plant and equipment *                              | 26.29                   |
| b) Inventories                                                  | 1.21                    |
| c) Other current assets                                         | 0.29                    |
| <b>Total assets</b>                                             | <b>27.79</b>            |

\* Property, plant and equipment classified as held for sale during the reporting period were measured at lower of its carrying amount and fair value less costs to sell at the time of reclassification, resulting in recognition of a write down of Rs.NIL. The fair value of the plant and equipment was determined using the market comparison approach.

|                                          | (Rs. in crores)         |
|------------------------------------------|-------------------------|
|                                          | As at<br>March 31, 2022 |
| <b>b) Liabilities for disposal group</b> |                         |
| a) Non current provisions                | 0.00                    |
| b) Trade payables                        | 0.02                    |
| c) Other financial liabilities           | 0.18                    |
| <b>Total Liabilities</b>                 | <b>0.20</b>             |

During the year, Board of directors had approved to close the electronic component division, which was virtually non-operational. Profitability of the same has been shown as profits/(losses) from discontinued operations, related assets and liabilities shown under assets and liabilities for disposal group classified as held for sales.





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 31(ii) Financial performance and cash flow information

The financial performance and cash flow information presented for the year March 31, 2022 and March 31, 2021 respectively, is as below:

(Rs. in crores)

|                                                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Financial performance related to discontinued operations:</b>           |                                      |                                      |
| <b>Income</b>                                                              |                                      |                                      |
| Revenue from operations                                                    | 0.05                                 | 0.21                                 |
| Other Income                                                               | 0.01                                 | 0.01                                 |
| <b>Total Income</b>                                                        | <b>0.06</b>                          | <b>0.22</b>                          |
| <b>Expenses</b>                                                            |                                      |                                      |
| Cost of materials consumed                                                 | 0.02                                 | 0.05                                 |
| Purchase of traded goods                                                   | 0.00                                 | 0.00                                 |
| Change in inventories of finished goods, traded goods and work-in-progress | (0.02)                               | 0.03                                 |
| Employees benefits expense                                                 | 2.15                                 | 0.76                                 |
| Finance Cost                                                               | 0.00                                 | 0.00                                 |
| Depreciation and amortisation expense                                      | 0.00                                 | 0.01                                 |
| Reversal of impairment for Property, plant and equipment                   | 0.00                                 | 0.00                                 |
| Other Expenditure                                                          | 0.38                                 | 0.44                                 |
| <b>Total Expenses</b>                                                      | <b>2.53</b>                          | <b>1.29</b>                          |
| Profit/(loss) before tax                                                   | (2.47)                               | (1.07)                               |
| Tax Expense/(Credit)                                                       | (0.86)                               | (0.37)                               |
| Profit/(loss) from discontinued operations                                 | <b>(1.61)</b>                        | <b>(0.70)</b>                        |

#### Cash Flow disclosure with respect to Asset held for sale

|                                              |        |        |
|----------------------------------------------|--------|--------|
| Net cash flow from operating activities      | (2.47) | (1.07) |
| Net cash flow (used in) investing activities | 0.00   | 0.00   |
| Net cash flow from financing activities      | 0.00   | 0.00   |

### 32. The Group Comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the Consolidated Financial Statements are:

(Rs. in crores)

| Name of the Company                | Country of<br>incorporation | Percentage of<br>Ownership held as<br>at March 31, 2022 | Percentage of<br>Ownership held as<br>at March 31, 2021 |
|------------------------------------|-----------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>Subsidiary companies:-</b>      |                             |                                                         |                                                         |
| Himshikhar Investment Limited(HIL) | India                       | 100%                                                    | 100%                                                    |

### 33. Contingent Liabilities (not provided for) in respect of:

(Rs. in crores)

| S.N. | Particulars                                                                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------|-------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)   | Claims against the company not acknowledged as debts*                                           | 84.19                   | 84.19                   |
| b)   | Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute | 3.70                    | 3.72                    |
| c)   | Income tax cases                                                                                | 39.87                   | -                       |
| d)   | Guarantee & LC issued by the company's banker on behalf of the company#                         | 54.54                   | 51.70                   |

\* Includes demand of Rs. 79.88 cr raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand and the writ is pending for final disposal.

# Excludes bank guarantees issued by banks on behalf of the company against financial liabilities recognised in the books of account.

i) The Company assesses its obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc, the company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 34. Capital and other commitments:

(Rs. in crores)

| S.N. | Particulars                                                                                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)   | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 73.27                   | 198.64                  |
| b)   | Other Commitments                                                                                                | -                       | -                       |

### 35. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(Rs. in crores)

| S.N. | Particulars                           | 2021-22 | 2020-21 |
|------|---------------------------------------|---------|---------|
|      | <b>Statutory Auditor</b>              |         |         |
| i    | Audit Fee (Including Limited Reviews) | 0.20    | 0.16    |
| ii   | For tax audit and other services      | 0.04    | 0.04    |
| iii  | For reimbursement of expenses         | -       | 0.00    |

### 36. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(Rs. in crores)

| S.N.         | Particulars                                                                                                                                                                                                                                                             | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)           | Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year                                                                                                                                                            | 0.55                    | 2.66                    |
| b)           | Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.                                                                                   | -                       | -                       |
| c)           | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act                                                           | -                       | -                       |
| d)           | The amount of interest accrued and remaining unpaid at the end of accounting year                                                                                                                                                                                       | -                       | -                       |
| e)           | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | -                       | -                       |
| <b>Total</b> |                                                                                                                                                                                                                                                                         | <b>0.55</b>             | <b>2.66</b>             |

### 37. Details of Opening and Closing Inventory of Finished Goods:

(Rs. in crores)

| S.N.                    | Class of Product                      | 2021-22         | 2020-21         |
|-------------------------|---------------------------------------|-----------------|-----------------|
| <b>a) Opening stock</b> |                                       |                 |                 |
|                         | Refractory products                   | 15.13           | 16.71           |
|                         | Sugar                                 | 1,187.87        | 1,159.78        |
|                         | Multilayer Ceramic Chip Capacitors    | 0.02            | 0.02            |
|                         | Power-Banked                          | 0.48            | 0.38            |
|                         | Industrial Alcohol                    | 26.55           | 25.83           |
|                         | Others                                | 73.68           | 56.22           |
|                         | <b>Total</b>                          | <b>1,303.73</b> | <b>1,258.94</b> |
| <b>b) Closing stock</b> |                                       |                 |                 |
|                         | Refractory products                   | 13.12           | 15.13           |
|                         | Sugar                                 | 914.28          | 1,187.87        |
|                         | Multilayer Ceramic Chip Capacitors    | 0.02            | 0.02            |
|                         | Power-Banked                          | 0.62            | 0.48            |
|                         | Industrial Alcohol                    | 33.25           | 26.55           |
|                         | Others (including bagasse & Molasses) | 146.38          | 73.68           |
|                         | <b>Total</b>                          | <b>1,107.67</b> | <b>1,303.73</b> |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 38 Disclosure as required by Ind AS 108, Operating Segments

#### (i) Identification of Segments

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

#### (ii) Operating segments identified as follows:

- The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.
- The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.
- The "Distillery Segment" includes Production and sale of Ethanol and ENA.
- The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

#### (iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income)

#### (iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

#### (v) Segment revenue and segment profit

(Rs. in crores)

| Particulars                                                      | Sugar           | Power         | Distillery    | Other          | Total           |
|------------------------------------------------------------------|-----------------|---------------|---------------|----------------|-----------------|
| <b>Revenue</b>                                                   |                 |               |               |                |                 |
| <b>Gross Revenue from continuing operations</b>                  |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>2,868.77</b> | <b>377.69</b> | <b>699.92</b> | <b>46.33</b>   | <b>3,992.71</b> |
| For the year 31st March 2021                                     | (2,386.01)      | (311.93)      | (437.60)      | (8.69)         | (3,144.23)      |
| <b>Inter Segment sale</b>                                        |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>703.88</b>   | <b>267.94</b> | <b>2.64</b>   | -              | <b>974.46</b>   |
| For the year 31st March 2021                                     | (287.79)        | (170.88)      | -             | -              | (458.67)        |
| <b>Total Revenue from continuing operation*</b>                  |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>2,164.89</b> | <b>109.75</b> | <b>697.28</b> | <b>46.33</b>   | <b>3,018.25</b> |
| For the year 31st March 2021                                     | (2,098.22)      | (141.05)      | (437.60)      | (8.69)         | (2,685.56)      |
| <b>Revenue from discontinued operations</b>                      |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | <b>0.06</b>     |
| For the year 31st March 2021                                     |                 |               |               |                | (0.22)          |
| <b>Revenue from continued and discontinued operations</b>        |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | <b>3,018.31</b> |
| For the year 31st March 2021                                     |                 |               |               |                | (2685.78)       |
| <b>Profit before interest and tax from continuing operations</b> |                 |               |               |                |                 |
| For the year 31st March 2022                                     | <b>179.24</b>   | <b>107.64</b> | <b>149.62</b> | <b>(19.58)</b> | <b>416.92</b>   |
| For the year 31st March 2021                                     | (156.51)        | (103.29)      | (179.40)      | ((8.33))       | (430.87)        |
| <b>Finance Cost from continuing operations</b>                   |                 |               |               |                |                 |
| For the year 31st March 2022                                     |                 |               |               |                | <b>34.82</b>    |
| For the year 31st March 2021                                     |                 |               |               |                | (61.86)         |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 38 Disclosure as required by Ind AS 108, Operating Segments (Cont.)

(Rs. in crores)

| Particulars                                                          | Sugar | Power | Distillery | Other | Total         |
|----------------------------------------------------------------------|-------|-------|------------|-------|---------------|
| <b>Less Exceptional items</b>                                        |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | -             |
| For the year 31st March 2021                                         |       |       |            |       | -             |
| <b>Profit Before Tax from continuing operations</b>                  |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>382.10</b> |
| For the year 31st March 2021                                         |       |       |            |       | (369.01)      |
| <b>Tax expense from continuing operations</b>                        |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>84.76</b>  |
| For the year 31st March 2021                                         |       |       |            |       | (97.97)       |
| <b>Profit after Tax from continuing operations</b>                   |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>297.34</b> |
| For the year 31st March 2021                                         |       |       |            |       | (271.04)      |
| <b>Profit Before Tax from discontinuing operations</b>               |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(2.47)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((1.07))      |
| <b>Tax expense from discontinuing operations</b>                     |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(0.86)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((0.37))      |
| <b>Profit after Tax from discontinuing operations</b>                |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>(1.61)</b> |
| For the year 31st March 2021                                         |       |       |            |       | ((0.70))      |
| <b>Profit After Tax from continuing and discontinuing operations</b> |       |       |            |       |               |
| For the year 31st March 2022                                         |       |       |            |       | <b>295.73</b> |
| For the year 31st March 2021                                         |       |       |            |       | (270.34)      |

\* Includes other operating Income.

#### (vi) Segment Assets & Liabilities

(Rs. in crores)

| Particulars                                                     | Sugar           | Power         | Distillery    | Other         | Total           |
|-----------------------------------------------------------------|-----------------|---------------|---------------|---------------|-----------------|
| <b>Segment Assets</b>                                           |                 |               |               |               |                 |
| <b>Assets from continuing operations</b>                        |                 |               |               |               |                 |
| As at 31st March 2022                                           | <b>1,900.84</b> | <b>397.23</b> | <b>505.10</b> | <b>387.08</b> | <b>3,190.25</b> |
| As at 31st March 2021                                           | (2,091.64)      | (386.44)      | (228.03)      | (402.50)      | (3,108.61)      |
| <b>Assets from discontinuing operations</b>                     |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>27.79</b>    |
| As at 31st March 2021                                           |                 |               |               |               | -               |
| <b>Unallocable Asset</b>                                        |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>604.23</b>   |
| As at 31st March 2021                                           |                 |               |               |               | (624.10)        |
| <b>Total Asset from continuing and discontinuing operations</b> |                 |               |               |               |                 |
| As at 31st March 2022                                           |                 |               |               |               | <b>3,822.27</b> |
| As at 31st March 2021                                           |                 |               |               |               | (3,732.71)      |
| <b>Segment Liability</b>                                        |                 |               |               |               |                 |
| <b>Liabilities from continuing operations</b>                   |                 |               |               |               |                 |
| As at 31st March 2022                                           | <b>924.39</b>   | <b>6.54</b>   | <b>340.77</b> | <b>34.72</b>  | <b>1,306.42</b> |
| As at 31st March 2021                                           | (1,226.49)      | (10.57)       | (129.41)      | (23.18)       | (1,389.65)      |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 38 Disclosure as required by Ind AS 108, Operating Segments (Cont.)

(Rs. in crores)

| Particulars                                                         | Sugar | Power | Distillery | Other | Total           |
|---------------------------------------------------------------------|-------|-------|------------|-------|-----------------|
| <b>Liabilities from discontinuing operations</b>                    |       |       |            |       |                 |
| As at 31st March 2022                                               |       |       |            |       | <b>0.20</b>     |
| As at 31st March 2021                                               |       |       |            |       | -               |
| <b>Unallocable Liability</b>                                        |       |       |            |       |                 |
| As at 31st March 2022                                               |       |       |            |       | <b>156.57</b>   |
| As at 31st March 2021                                               |       |       |            |       | (200.37)        |
| <b>Total Liability from continuing and discontinuing operations</b> |       |       |            |       |                 |
| As at 31st March 2022                                               |       |       |            |       | <b>1,463.19</b> |
| As at 31st March 2021                                               |       |       |            |       | (1,590.02)      |

#### (vii) Other Information

(Rs. in crores)

| Particulars                                                                     | Sugar         | Power        | Distillery    | Other       | Total         |
|---------------------------------------------------------------------------------|---------------|--------------|---------------|-------------|---------------|
| <b>Depreciation / Amortisation from continuing operations</b>                   |               |              |               |             |               |
| For the year 31st March 2022                                                    | <b>54.02</b>  | <b>23.30</b> | <b>16.62</b>  | <b>0.77</b> | <b>94.71</b>  |
| For the year 31st March 2021                                                    | (54.80)       | (24.76)      | (14.76)       | (1.21)      | (95.53)       |
| <b>Depreciation / Amortisation from discontinuing operations</b>                |               |              |               |             |               |
| For the year 31st March 2022                                                    |               |              |               | <b>0.00</b> | <b>0.00</b>   |
| For the year 31st March 2021                                                    |               |              |               | (0.00)      | (0.00)        |
| <b>Depreciation / Amortisation from continuing and discontinuing operations</b> |               |              |               |             |               |
| For the year 31st March 2022                                                    |               |              |               |             | <b>94.71</b>  |
| For the year 31st March 2021                                                    |               |              |               |             | (95.53)       |
| <b>Capital expenditure</b>                                                      |               |              |               |             |               |
| For the year 31st March 2022                                                    | <b>143.68</b> | <b>51.72</b> | <b>130.16</b> | <b>0.30</b> | <b>325.85</b> |
| For the year 31st March 2021                                                    | (29.97)       | (3.32)       | (17.43)       | (0.36)      | (51.08)       |

#### (viii) Geographical Location

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India

(Rs. in crores)

| Particulars            | FY 2021-22      | FY 2020-21      |
|------------------------|-----------------|-----------------|
| Revenue from operation |                 |                 |
| Domestic               | 2,261.24        | 2,266.45        |
| Overseas               | 757.01          | 419.11          |
| <b>Total</b>           | <b>3,018.25</b> | <b>2,685.56</b> |

Note: There are no non-current assets located outside India.

#### (ix) Significant clients

There is no single customer who has contributed 10% or more to the company's revenue for both the years ended March 31, 2022 and March 31, 2021.

##### Notes:-

- The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 & 3.
- All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.
- All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 39 Employee Benefits - Gratuity & Post employment benefits

#### Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

#### A. Statement of profit and loss

##### Net employee benefit expense

(Rs. in crores)

| Particulars                                           | 2021-22         | 2020-21         |
|-------------------------------------------------------|-----------------|-----------------|
|                                                       | <b>Gratuity</b> | <b>Gratuity</b> |
| Current Service cost                                  | 3.47            | 3.12            |
| Net Interest cost                                     | 1.75            | 1.56            |
| Expenses Recognized in the statement of Profit & Loss | <b>5.22</b>     | <b>4.68</b>     |

##### Amounts to be recognized in Other Comprehensive Income

(Rs. in crores)

| Particulars                                                    | 2021-22         | 2020-21         |
|----------------------------------------------------------------|-----------------|-----------------|
|                                                                | <b>Gratuity</b> | <b>Gratuity</b> |
| Actuarial (gain)/loss on assets                                | 0.00            | 0.00            |
| Actuarial (gain)/loss on liabilities                           | 4.64            | 3.38            |
| Net (gain)/loss to be recognized in Other Comprehensive Income | <b>4.64</b>     | <b>3.38</b>     |

#### B. Balance Sheet

##### (i) Details of Plan assets/ (liabilities) for gratuity

(Rs. in crores)

| Particulars                                           | 2021-22         | 2020-21         |
|-------------------------------------------------------|-----------------|-----------------|
|                                                       | <b>Gratuity</b> | <b>Gratuity</b> |
| Defined benefit obligation                            | 53.46           | 47.80           |
| Fair value of plan assets                             | 20.09           | 19.31           |
| Net Asset/(Liability) recognized in the Balance Sheet | <b>(33.37)</b>  | <b>(28.49)</b>  |

##### (ii) Changes in the present value of the defined benefit obligation are as follows:

(Rs. in crores)

| Particulars                            | 2021-22         | 2020-21         |
|----------------------------------------|-----------------|-----------------|
|                                        | <b>Gratuity</b> | <b>Gratuity</b> |
| Opening defined benefit obligation     | 47.80           | 43.04           |
| Interest cost                          | 2.94            | 2.75            |
| Current service cost                   | 3.47            | 3.12            |
| Benefit paid                           | (5.48)          | (1.48)          |
| Actuarial (gains)/losses on obligation | 4.64            | 0.37            |
| Acquisition Adjustment                 | 0.09            | 0.00            |
| Closing defined benefit obligation     | <b>53.46</b>    | <b>47.80</b>    |

##### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

(Rs. in crores)

| Particulars                       | 2021-22      | 2020-21      |
|-----------------------------------|--------------|--------------|
| Opening fair value of plan assets | 19.31        | 18.60        |
| Actual return on Plan Assets      | 1.19         | 1.19         |
| Contribution during the year      | 5.07         | 1.00         |
| Benefit paid                      | (5.48)       | (1.48)       |
| Closing fair value of plan assets | <b>20.09</b> | <b>19.31</b> |





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 39 Employee Benefits - Gratuity & Post employment benefits (Cont.)

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

| Particulars                  | 2021-22                        | 2020-21                        |
|------------------------------|--------------------------------|--------------------------------|
|                              | %                              | %                              |
| Discount rate (%)            | 6.65%                          | 6.15%                          |
| Expected salary increase (%) | 7.00%                          | 7.00%                          |
| Demographic Assumptions      | Indian Assured Lives Mortality | Indian Assured Lives Mortality |
|                              | (2012-14)                      | (2012-14)                      |
| Retirement Age (year)        | 58 Years                       | 58 Years                       |

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans: (Rs. in crores)

| Particulars                               | 2021-22 | 2020-21 |
|-------------------------------------------|---------|---------|
| Pension Fund/Superannuation funds/ESI/EPF | 6.81    | 7.89    |

(vi) Sensitivity analysis of the defined benefit obligation: (Rs. in crores)

| Assumption<br>Sensitivity Level                    | Discount rate        |                      |                      |                      |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                    | 1% Decrease          |                      | 1% Increase          |                      |
|                                                    | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Impact on defined benefit obligation               | 56.56                | 50.86                | 50.68                | 45.09                |
| Impact on defined benefit obligation (change in %) | 5.80%                | 6.40%                | -5.20%               | -5.70%               |

| Assumption<br>Sensitivity Level                    | Future salary increases |                      |                      |                      |
|----------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|
|                                                    | 1% Decrease             |                      | 1% Increase          |                      |
|                                                    | As at March 31, 2022    | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Impact on defined benefit obligation               | 50.66                   | 45.09                | 56.52                | 50.80                |
| Impact on defined benefit obligation (change in %) | -5.20%                  | -5.70%               | 5.70%                | 6.30%                |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

(vii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 40 Related party transaction

a) List of related parties (as certified by the management)

#### i. Key Management Personnel of the Company

Shri Jai Hari Dalmia (upto 08.07.2021)– Vice-Chairman & Managing Director, Shri Gautam Dalmia - Managing Director, Shri B B Mehta -Whole Time director, Shri Anil Kataria- Chief Financial Officer & Ms. Aashhima V Khanna-Company Secretary .

Independent directors - Shri P. Kannan, Ms. Amita Misra and Shri Rajeev Bakshi (w.e.f 05/02/2021 )

Non-Executive directors - Shri T. Venkatesan

#### Relatives of Key Management Personnel

Shri Yadu Hari Dalmia, Shri Raghu Hari Dalmia and Mr. Abhishek Dua (w.e.f 15.03.2022)

#### ii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

|                                                      |                                        |                          |
|------------------------------------------------------|----------------------------------------|--------------------------|
| Dalmia Bharat Limited                                | Dalmia DSP Limited                     | Dalmia Bharat Foundation |
| Dalmia Cement (Bharat) Limited                       | Alsthom Industries Limited             | Avanee Trust             |
| Dalmia Bharat Refractories Limited                   | Dalmia seven Refractories limited      | Dalmia Family Trust      |
| Calcom Cement India Limited                          | Hippostores Technology Private limited |                          |
| Dalmia Institute of Scientific & Industrial Research | Dalmia Bharat Green Vision limited     |                          |
| Murli Industries limited                             |                                        |                          |

b) The following transactions were carried out with related parties in the ordinary course of business:

(Rs. in crores)

| Nature of transaction                 | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total       |
|---------------------------------------|-----------------------------------------------|------------------------------------------------|-------------|
| <b>A. Sale of goods and services</b>  |                                               |                                                |             |
| a) Dalmia Cement (Bharat) Limited     |                                               | <b>4.10</b>                                    | <b>4.10</b> |
|                                       |                                               | (2.15)                                         | (2.15)      |
| b) Dalmia Bharat Limited              |                                               | <b>0.32</b>                                    | <b>0.32</b> |
|                                       |                                               | (0.07)                                         | (0.07)      |
| c) Calcom Cement India Limited        |                                               | <b>0.15</b>                                    | <b>0.15</b> |
|                                       |                                               | (0.15)                                         | (0.15)      |
| d) Dalmia Bharat Foundation           |                                               | <b>0.05</b>                                    | <b>0.05</b> |
|                                       |                                               | (0.00)                                         | (0.00)      |
| e) Dalmia DSP Limited                 |                                               | <b>0.06</b>                                    | <b>0.06</b> |
|                                       |                                               | (0.10)                                         | (0.10)      |
| f) Alsthom Industries Limited         |                                               | <b>0.02</b>                                    | <b>0.02</b> |
|                                       |                                               | (0.01)                                         | (0.01)      |
| g) Shri J.H. Dalmia                   | <b>0.02</b>                                   |                                                | <b>0.02</b> |
|                                       | (0.02)                                        |                                                | (0.02)      |
| h) Shri Y.H. Dalmia                   | <b>0.05</b>                                   |                                                | <b>0.05</b> |
|                                       | (0.00)                                        |                                                | (0.00)      |
| i) Dalmia Family Trust                |                                               | <b>0.01</b>                                    | <b>0.01</b> |
|                                       |                                               | (0.01)                                         | (0.01)      |
| j) Dalmia Seven Refractories limited  |                                               | <b>0.01</b>                                    | <b>0.01</b> |
|                                       |                                               | (0.04)                                         | (0.04)      |
| k) Murli Industries limited           |                                               | <b>0.19</b>                                    | <b>0.19</b> |
|                                       |                                               | (0.05)                                         | (0.05)      |
| l) Dalmia Bharat Refractories Limited |                                               | <b>1.20</b>                                    | <b>1.20</b> |
|                                       |                                               | (0.12)                                         | (0.12)      |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

## 40 Related party transaction (Cont.)

(Rs. in crores)

| Nature of transaction                                   | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total   |
|---------------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------|
| m) Avanee Trust                                         |                                               | 0.01                                           | 0.01    |
|                                                         |                                               | -                                              | -       |
| n) Hippostores Technology Private limited               |                                               | 0.08                                           | 0.08    |
|                                                         |                                               | -                                              | -       |
| o) Dalmia Bharat Green Vision limited                   |                                               | 0.03                                           | 0.03    |
|                                                         |                                               | -                                              | -       |
| <b>B. Reimbursement of expenses – payable</b>           |                                               |                                                |         |
| a) Dalmia Institute of Scientific & Industrial Research |                                               | 0.08                                           | 0.08    |
|                                                         |                                               | (0.10)                                         | (0.10)  |
| b) Dalmia Bharat Foundation<br>(For CSR Expenditure)    |                                               | 3.75                                           | 3.75    |
|                                                         |                                               | (3.61)                                         | (3.61)  |
| c) Shri Raghu Hari Dalmia                               | 0.20                                          |                                                | 0.20    |
|                                                         | -                                             |                                                | -       |
| <b>C. Purchase of goods and services</b>                |                                               |                                                |         |
| a) Dalmia Bharat Limited (Odisha Cement Limited)        |                                               | 11.75                                          | 11.75   |
|                                                         |                                               | (10.76)                                        | (10.76) |
| b) Dalmia Cement (Bharat) Limited                       |                                               | 7.89                                           | 7.89    |
|                                                         |                                               | (4.57)                                         | (4.57)  |
| c) Dalmia Refractories Limited                          |                                               | 0.02                                           | 0.02    |
|                                                         |                                               | (0.07)                                         | (0.07)  |
| <b>D. Salary and Perquisites</b>                        |                                               |                                                |         |
| a) Shri J.H. Dalmia#                                    | 3.44                                          |                                                | 3.44    |
|                                                         | (1.37)                                        |                                                | (1.37)  |
| b) Shri Gautam Dalmia                                   | 12.13                                         |                                                | 12.13   |
|                                                         | (5.82)                                        |                                                | (5.82)  |
| c) Shri Raghu Hari Dalmia                               | 1.50                                          |                                                | 1.50    |
|                                                         | (1.46)                                        |                                                | (1.46)  |
| d) Shri B B Mehta                                       | 4.16                                          |                                                | 4.16    |
|                                                         | (3.19)                                        |                                                | (3.19)  |
| e) Shri Anil Kataria                                    | 0.97                                          |                                                | 0.97    |
|                                                         | (0.89)                                        |                                                | (0.89)  |
| f) Ms. Aashima Khanna                                   | 0.09                                          |                                                | 0.09    |
|                                                         | (0.10)                                        |                                                | (0.10)  |
| g) Mr. Abhishek Dua *                                   | 0.01                                          |                                                | 0.01    |
|                                                         | -                                             |                                                | -       |
| <b>E. Dividend Received</b>                             |                                               |                                                |         |
| a) Dalmia Bharat Limited                                |                                               | 1.01                                           | 1.01    |
|                                                         |                                               | -                                              | -       |
| <b>F. Dividend paid</b>                                 |                                               |                                                |         |
| a) Dalmia Bharat Limited                                |                                               | 8.90                                           | 8.90    |
|                                                         |                                               | -                                              | -       |
| <b>G. Sitting fees to directors</b>                     |                                               |                                                |         |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

## 40 Related party transaction (Cont.)

(Rs. in crores)

| Nature of transaction                         | Key management personnel and relatives to KMP | Key management personnel controlled enterprise | Total  |
|-----------------------------------------------|-----------------------------------------------|------------------------------------------------|--------|
| a) Shri P. Kannan                             | 0.06                                          |                                                | 0.06   |
|                                               | (0.06)                                        |                                                | (0.06) |
| b) Shri T. Venkatesan                         | 0.03                                          |                                                | 0.03   |
|                                               | (0.03)                                        |                                                | (0.03) |
| c) Ms. Amita Misra                            | 0.07                                          |                                                | 0.07   |
|                                               | (0.06)                                        |                                                | (0.06) |
| d) Shri Rajeev Bakshi                         | 0.04                                          |                                                | 0.04   |
|                                               | (0.01)                                        |                                                | (0.01) |
| <b>H. Commission to independent directors</b> |                                               |                                                |        |
| a) Shri P. Kannan                             | 0.10                                          |                                                | 0.10   |
|                                               | (0.10)                                        |                                                | (0.10) |
| b) Ms. Amita Misra                            | 0.10                                          |                                                | 0.10   |
|                                               | (0.10)                                        |                                                | (0.10) |
| c) Shri Rajeev Bakshi**                       | 0.80                                          |                                                | 0.80   |
|                                               | (0.15)                                        |                                                | (0.15) |
| <b>I. Other expenditure</b>                   |                                               |                                                |        |
| a) Shir Yadu Hari Dalmia                      | 0.03                                          |                                                | 0.03   |
|                                               | (0.03)                                        |                                                | (0.03) |

\* Amount is for part of the year

\*\* subject to approval of the shareholders.

# Including gratuity payment.

Notes:-

- Above transactions are exclusive of recoverable taxes, wherever applicable.
- Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 40 Related party transaction (Cont.)

#### c) Balances Outstanding at Year End:

| (Rs. in crores)                                         |                          |                                                |             |
|---------------------------------------------------------|--------------------------|------------------------------------------------|-------------|
| Nature of transaction                                   | Key management personnel | Key management personnel controlled enterprise | Total       |
| <b>A. Amounts payable</b>                               |                          |                                                |             |
| a) Dalmia Bharat Limited                                |                          | <b>1.20</b>                                    | <b>1.20</b> |
|                                                         |                          | (0.96)                                         | (0.96)      |
| b) Dalmia Cement (Bharat) Limited                       |                          | <b>0.65</b>                                    | <b>0.65</b> |
|                                                         |                          | (0.44)                                         | (0.44)      |
| c) Dalmia Institute of Scientific & Industrial Research |                          | -                                              | -           |
|                                                         |                          | (0.01)                                         | (0.01)      |
| <b>B. Amounts Receivable</b>                            |                          |                                                |             |
| a) Dalmia Bharat Limited                                |                          | <b>0.05</b>                                    | <b>0.05</b> |
|                                                         |                          | (0.01)                                         | (0.01)      |
| b) Dalmia Cement (Bharat) Limited                       |                          | <b>0.57</b>                                    | <b>0.57</b> |
|                                                         |                          | (0.37)                                         | (0.37)      |
| c) Calcom Cement India Limited                          |                          | <b>0.03</b>                                    | <b>0.03</b> |
|                                                         |                          | (0.01)                                         | (0.01)      |
| d) Dalmia Bharat Refractories limited                   |                          | <b>0.22</b>                                    | <b>0.22</b> |
|                                                         |                          | (0.03)                                         | (0.03)      |
| e) Murali Industries limited                            |                          | <b>0.04</b>                                    | <b>0.04</b> |
|                                                         |                          | -                                              | -           |
| f) Dalmia Bharat Green Vision limited                   |                          | <b>0.01</b>                                    | <b>0.01</b> |
|                                                         |                          | -                                              | -           |
| g) Dalmia DSP Limited                                   |                          | -                                              | -           |
|                                                         |                          | (0.03)                                         | (0.03)      |
| h) Dalmia Seven Refractories Limited                    |                          | -                                              | -           |
|                                                         |                          | (0.01)                                         | (0.01)      |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 41. Government Grant

#### a) Government grants recognised in the financial statements

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, buffer stock subsidy and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

| (Rs. in crores)                                          |                                                 |         |         |
|----------------------------------------------------------|-------------------------------------------------|---------|---------|
| Particulars                                              | Treatment in accounts                           | 2021-22 | 2020-21 |
| <b>Revenue related government grant</b>                  |                                                 |         |         |
| Export subsidy(MAEQ Quota )                              | Shown as a part of other Operating Income       | 98.37   | 189.66  |
| Buffer stock subsidy - Interest on loan                  | Shown under Government Grant under Other Income | -       | 5.42    |
| Buffer stock subsidy - Reimbursement of storage expenses | Shown under Government Grant under Other Income | -       | 0.89    |
| Interest subvention on SEFASU loan                       | Shown under Government Grant under Other Income | -       | 2.20    |
| Interest subvention on Ethanol capacity loan             | Shown under Government Grant under Other Income | 1.66    | 4.06    |
| <b>Deffered government grant</b>                         |                                                 |         |         |
| Deferred income relating to interest on term loans       | Shown under Government Grant under Other Income | 3.86    | 4.20    |

#### b) Movement of deferred government grants is provided here below:

| (Rs. in crores)                                  |                      |                      |
|--------------------------------------------------|----------------------|----------------------|
| Particulars                                      | As at March 31, 2022 | As at March 31, 2021 |
| <b>Opening balance</b>                           | 12.33                | 16.53                |
| Add: Increase during the year                    | -                    | -                    |
| Less: Released to the Statement of Profit & Loss | 3.86                 | 4.20                 |
| <b>Closing balance</b>                           | 8.47                 | 12.33                |
| Current                                          | 3.80                 | 3.80                 |
| Non-current                                      | 4.67                 | 8.52                 |

### 42 Leases

#### (i) Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

#### Payments recognised as expense

(Rs. in crores)

| Particulars           | 2021-22 | 2020-21 |
|-----------------------|---------|---------|
| Minimum lease payment | 1.18    | 1.93    |

### 43 Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 44 Pre operative expenditure included in capital work in progress

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

| (Rs. in crores)                                                |             |             |
|----------------------------------------------------------------|-------------|-------------|
| Particulars                                                    | 2021-22     | 2020-21     |
| <b>Carried forward as part of Capital Work in Progress (A)</b> | 0.14        | -           |
| <b>Expenditure incurred during the year</b>                    |             |             |
| Power & Fuel                                                   | 0.24        | -           |
| Employee Cost                                                  | 0.43        | -           |
| Finance Cost                                                   | 0.88        | -           |
| Consultancy Charges                                            | 0.55        | -           |
| Miscellaneous Expenses                                         | 1.05        | 0.14        |
| <b>Total Expenditure incurred during the year (B)</b>          | <b>3.15</b> | <b>0.14</b> |
| <b>Total Pre-operative Expenditure (A + B)</b>                 | <b>3.29</b> | <b>0.14</b> |
| Less : Capitalised as Property, plant and equipment            | 3.11        | -           |
| <b>Carried forward as part of Capital Work in Progress</b>     | <b>0.18</b> | <b>0.14</b> |

### 45 Financial Risk Management

#### Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

#### A Market Risk:-

The Company operates internationally and is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas. The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures.

The details in respect of outstanding foreign currency forward contracts are as follows :

| Particulars              | Amount (USD in Crores) | (Rs. In crores) | Amount (USD in Crores) | (Rs. In crores) |
|--------------------------|------------------------|-----------------|------------------------|-----------------|
|                          | As at 31-Mar-22        | As at 31-Mar-22 | As at 31-Mar-21        | As at 31-Mar-21 |
| <b>Forward Contracts</b> | 3.10                   | 237.13          | 5.05                   | 374.53          |

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

| Particulars                                          | Amount (USD in Crores) | (Rs. In crores) | Amount (USD in Crores) | (Rs. In crores) |
|------------------------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                      | As at 31-Mar-22        | As at 31-Mar-22 | As at 31-Mar-21        | As at 31-Mar-21 |
| Not Later than one months                            | 0.14                   | 10.85           | 2.21                   | 163.93          |
| Later than one month and not later than three months | 1.89                   | 144.52          | 2.84                   | 210.60          |
| Later than three months and not later than One year  | 1.07                   | 81.76           | -                      | -               |

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 45 Financial Risk Management (Cont.)

During the year ended March 31, 2022, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in other comprehensive income - cash flow hedge as at March 31, 2022 are expected to occur and reclassified to statement of profit and loss within 1 year.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Other comprehensive income - cash flow hedge for the year ended:-

| (Rs. in crores)                                                          |                      |                      |
|--------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                              | As at March 31, 2022 | As at March 31, 2021 |
| <b>Gain / (Loss)</b>                                                     |                      |                      |
| Balance at the beginning of the year                                     | 1.89                 | (7.92)               |
| Gain / (Loss) reversed in other comprehensive income during the period   | (2.90)               | 12.17                |
| Tax impact on above                                                      | 1.01                 | (4.25)               |
| Gain / (Loss) recognized in other comprehensive income during the period | 1.66                 | 2.90                 |
| Tax impact on above                                                      | (0.70)               | (1.01)               |
| <b>Balance at the end of the year</b>                                    | <b>0.96</b>          | <b>1.89</b>          |

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### B Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of institutional & non institutional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing.

| (Rs. in crores)      |                    |                    |        |
|----------------------|--------------------|--------------------|--------|
| Trade receivables    | More than 6 Months | Less than 6 Months | Total  |
| As at March 31, 2022 | 9.54               | 157.00             | 166.54 |
| As at March 31, 2021 | 12.36              | 102.90             | 115.26 |

#### C Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

| (Rs. in crores)           |                      |                      |
|---------------------------|----------------------|----------------------|
| Particulars               | As at March 31, 2022 | As at March 31, 2021 |
| Total current assets      | 1,880.45             | 2,035.49             |
| Total current liabilities | 918.18               | 1,174.96             |
| <b>Current ratio</b>      | <b>2.05</b>          | <b>1.73</b>          |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 45 Financial Risk Management (Cont.)

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities : (Rs. in crores)

|           | Particulars                   | Less than 1 year | 1 to 5 years | > 5 years | Total  |
|-----------|-------------------------------|------------------|--------------|-----------|--------|
| <b>I</b>  | <b>As at 31st March, 2022</b> |                  |              |           |        |
| (i)       | Borrowings*                   | 481.30           | 185.32       | 151.89    | 818.51 |
| (ii)      | Other Financial Liability     | 87.72            |              |           | 87.72  |
| (iii)     | Trade and other payable       | 261.16           |              |           | 261.16 |
| <b>II</b> | <b>As at 31st March, 2021</b> |                  |              |           |        |
| (i)       | Borrowings*                   | 731.26           | 148.32       | 78.31     | 957.90 |
| (ii)      | Other Financial Liability     | 69.25            |              |           | 69.25  |
| (iii)     | Trade and other payable       | 268.48           |              |           | 268.48 |

\* Includes short term borrowings & Long term borrowings payable after 1 year.

#### D Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:-

| Particulars                                                            | (Rs. in crores)      |                      |
|------------------------------------------------------------------------|----------------------|----------------------|
|                                                                        | As at March 31, 2022 | As at March 31, 2021 |
| Total long term borrowing on fluctuation rates                         | 319.44               | 162.98               |
| Increase in profit before tax with each 1% reduction in interest rates | 3.19                 | 1.63                 |
| Decrease in profit before tax with each 1% increase in interest rates  | (3.19)               | (1.63)               |

### 46 Capital Management

"For the purpose of capital management, capital includes net debt and total equity of the company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the company.

One of the majour business of the company is the sugar business, which is a seasonal industry, where the entire production is made in about five to six months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavor of the company to prune down debts to acceptable levels based on its financial position.

The company may resorts to further issue of capital when the funds are required to make the company stronger financially or to invest in projects meeting the ROI expectations of the Company.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 46 Capital Management (Cont.)

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the company as at the end of reporting period were as follows:

| Particulars                                                       | (Rs. in crores)      |                      |
|-------------------------------------------------------------------|----------------------|----------------------|
|                                                                   | As at March 31, 2022 | As at March 31, 2021 |
| Non-current borrowings (note no.13 (i) )                          | 337.21               | 226.63               |
| Current borrowings including current maturities (note no.17 (ii)) | 481.30               | 731.26               |
| <b>Total debt</b>                                                 | <b>818.51</b>        | <b>957.89</b>        |
| Less: Cash and cash equivalents (not no. 9 (i),(iii)&(iv))        | (404.34)             | (389.46)             |
| <b>Net debt</b>                                                   | <b>414.17</b>        | <b>568.43</b>        |
| <b>Total equity (note no.11 &amp; 12 )</b>                        | <b>2359.08</b>       | <b>2142.69</b>       |
| Net debt to equity ratio                                          | 0.18                 | 0.27                 |
| Long term debt equity ratio                                       | 0.14                 | 0.11                 |

In addition to the above gearing ratio, the company also looks at operating profit to total debt ratio (EBIDTA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financials covenants. With a view to arrive at the desired capital structure based on the financial condition of the company, the company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the company at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the period.

The company is not subject to any externally imposed capital requirements.

**47** This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements

| Sl. No   | Particulars                                                                         | Fair value hierarchy       | As at March 31, 2022 |            | As at March 31, 2021 |            |
|----------|-------------------------------------------------------------------------------------|----------------------------|----------------------|------------|----------------------|------------|
|          |                                                                                     |                            | Carrying Amount      | Fair Value | Carrying Amount      | Fair Value |
| <b>1</b> | <b>Financial assets designated at fair value through profit and loss</b>            |                            |                      |            |                      |            |
| (i)      | In Debt based mutual funds                                                          | Level 1                    | 104.27               | 104.27     | 101.39               | 101.39     |
| <b>2</b> | <b>Financial assets designated at fair value through other comprehensive income</b> |                            |                      |            |                      |            |
| (i)      | Investment In Listed Equity shares                                                  | Level 1                    | 481.58               | 481.58     | 510.61               | 510.61     |
| <b>3</b> | <b>Financial assets designated at amortised cost</b>                                |                            |                      |            |                      |            |
| (i)      | Investment in Bonds                                                                 | Carried at amortised cost. | 7.95                 | 7.95       | 8.46                 | 8.46       |
| (ii)     | Other Bank Balances                                                                 | Level 2                    | 9.29                 | 9.29       | 8.49                 | 8.49       |
| (iii)    | Cash & Cash Equivalents                                                             | Level 2                    | 94.61                | 94.61      | 71.29                | 71.29      |
| (iv)     | Trade receivables                                                                   | Carried at amortised cost. | 166.54               | 166.54     | 115.26               | 115.26     |
| (v)      | Loans and other receivable (Non-Current)                                            |                            | 2.56                 | 2.56       | 26.28                | 26.28      |
| (vi)     | Loans and other receivable (Current)                                                |                            | 23.54                | 23.54      | 44.06                | 44.06      |



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 47 (Cont.)

(Rs. in crores)

| Sl. No | Particulars                                             | Fair value hierarchy       | As at March 31, 2022 |                 | As at March 31, 2021 |                 |
|--------|---------------------------------------------------------|----------------------------|----------------------|-----------------|----------------------|-----------------|
|        |                                                         |                            | Carrying Amount      | Fair Value      | Carrying Amount      | Fair Value      |
| 1      | <b>Financial liability designated at amortised cost</b> |                            |                      |                 |                      |                 |
|        | Borrowings - Non Current                                | Carried at amortised cost. | 337.21               | 337.21          | 226.63               | 226.63          |
|        | Other financial liability - Non Current                 |                            | 3.19                 | 3.19            | 3.24                 | 3.24            |
|        | Borrowings - Current                                    |                            | 481.30               | 481.30          | 731.26               | 731.26          |
|        | Other financial liability - Current                     |                            | 84.53                | 84.53           | 66.01                | 66.01           |
|        | Trade payables                                          |                            | 261.16               | 261.16          | 268.48               | 268.48          |
|        | <b>Total</b>                                            |                            | <b>1,167.39</b>      | <b>1,167.39</b> | <b>1,295.62</b>      | <b>1,295.62</b> |

**A** - Company has fair valued its debt based mutual fund investment through profit & loss.

**B** - Company has opted to fair value its quoted investments in equity share through OCI.

**C** - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

**D** - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

#### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### 48 Discosure Required by Companies Act 2013

(a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) : **NIL**

(b) Particulars of Guarantee given: **NIL**

(c) Particulars of Investments made: (Rs. in crores)

| S.N. | Name of the Investee   | Opening Balance | Investment made | Investment sold | Closing Balance | Purpose              |
|------|------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| 1    | Dalmia Bharat Limited* | 9.90            | -               | -               | 9.90            | Long term Investment |

\* excluding fair valuation impact.

(d) Particulars of Security Deposit : **NIL**

#### (e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 48 Discosure Required by Companies Act 2013 (Cont.)

#### (i) Detail of CSR Expenditure

(Rs. in crores)

| Particulars                                                         | 2021-22     | 2020-21     |
|---------------------------------------------------------------------|-------------|-------------|
| a) Gross amount required to be spent by the company during the year | 5.27        | 3.87        |
| b) Amount spent during the year                                     |             |             |
| i) Construction/acquisition of any asset                            | -           | -           |
| ii) On purposes other than (i) above                                | 4.81        | 3.87        |
| c) Shortfall at the end of the year                                 | 0.46        | -           |
| d) Total of previous year shortfall                                 | -           | -           |
| <b>Total</b>                                                        | <b>5.27</b> | <b>3.87</b> |

| Financial year* | Amount unspent on corporate social responsibility activities for ongoing projects | Amount transferred to Special Account within 30 days from the end of the financial year | Amount transferred after due date |
|-----------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------|
| 2021-22         | 0.46                                                                              | 0.50                                                                                    | Not applicable                    |

#### Provision made for Corporate Social Responsibility

| Particulars                  | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------|---------------------------|---------------------------|
| Opening balance of Provision | 0.00                      | 0.00                      |
| Changes during the year      | 0.00                      | 0.00                      |
| Closing balance of provision | 0.00                      | 0.00                      |

#### Note:-

Amount is unspent due to allocation of funds to long term projects and is expected to get incurred in next year.

The company has deposited the amount of shortfall to CSR unspent account within due time limits.

#### (ii) Various heads under which CSR Expenditure is incurred

(Rs. in crores)

| Description                                              | Relevant Clause of SCH VII of Companies Act 2013 | 2021-22     | 2020-21     |
|----------------------------------------------------------|--------------------------------------------------|-------------|-------------|
| <b>Expenditure done through Dalmia Bharat Foundation</b> |                                                  |             |             |
| Social Development                                       | Clause No. I & X                                 | 1.56        | 0.76        |
| Skill Training & Livelihood                              | Clause No. II & III                              | 1.07        | 0.71        |
| Soil, Water & Energy Conservation                        | Clause No. IV                                    | 1.12        | 2.14        |
|                                                          |                                                  | <b>3.75</b> | <b>3.61</b> |
| <b>Expenditure done directly by the company</b>          |                                                  |             |             |
| Social Development                                       | Clause No. I & X                                 | 0.13        | -           |
| Contribution of PM Cares Fund                            | Clause No. viii                                  | -           | 0.00        |
| Soil, Water & Energy Conservation                        | Clause No. IV                                    | -           | 0.20        |
| Infrastructuer for Covid Care                            | Clause No. XII                                   | 0.81        | -           |
| Programme Execution                                      |                                                  | 0.12        | 0.06        |
| <b>Total Expenditure by the Company</b>                  |                                                  | <b>4.81</b> | <b>3.87</b> |





## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 49 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

| Particulars                          | As on the balance sheet date                           |                 |
|--------------------------------------|--------------------------------------------------------|-----------------|
|                                      | Net assets, i.e., total assets minus total liabilities |                 |
|                                      | As % of consolidated net assets                        | (Rs. in crores) |
| <b>Himshikhar Investment Limited</b> |                                                        |                 |
| As on 31.03.2022                     | 2.09                                                   | 49.22           |
| As on 31.03.2021                     | (2.57)                                                 | (57.38)         |

| Particulars                          | Share in profit or loss                          |                 |
|--------------------------------------|--------------------------------------------------|-----------------|
|                                      | As % of consolidated profit or loss (before tax) |                 |
|                                      | As % of consolidated profit or loss (before tax) | (Rs. in crores) |
| <b>Himshikhar Investment Limited</b> |                                                  |                 |
| FY 2021-22                           | 0.53                                             | 2.03            |
| FY 2020-21                           | (0.14)                                           | (0.50)          |

| Particulars                          | Share in profit or loss (After OCI)                          |                 |
|--------------------------------------|--------------------------------------------------------------|-----------------|
|                                      | As % of consolidated profit or loss (After OCI) (before tax) |                 |
|                                      | As % of consolidated profit or loss (After OCI) (before tax) | (Rs. in crores) |
| <b>Himshikhar Investment Limited</b> |                                                              |                 |
| FY 2021-22                           | (3.08)                                                       | (8.17)          |
| FY 2020-21                           | (19.93)                                                      | (142.36)        |

### 50 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

#### Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

During the year the company has done the impairment assessment for Ninaidevi unit (which got impaired earlier) and management is of the view that there is not any requirement for impairment. Accordingly impairment amounting Rs.21.79 Cr has been reversed during the year.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 51 Other Statutory information

- The Company did not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- The Company did not have any transactions with companies struck off.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The Company has not declared willful defaulter by any banks or any other financial institution at any time during the financial year.

**52** Pursuant to notifications issued by Central Government notifying assistance to sugar mills in respect of export for the Sugar Season 2020-21, the company has accounted for Rs. 98.37 Cr under the head Other operating Income on fulfilment of eligibility conditions.

**53** The company is periodically reviewing possible impact of COVID-19 on its business and same is considered in preparation of financial results for the quarter and year ended March 22. Review includes internal and external factors as known to the company upto the date of approval of these results to assess and finalise the carrying amounts of its assets and liabilities.

### 54 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

### 55 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

**For NSBP & Co.**

Chartered Accountants

FRN - 001075N

**Deepak K. Aggarwal**

Partner

Membership No.: 095541

**Aashhima V Khanna**

Company Secretary

Membership No.: A34517

**Anil Kataria**

C.F.O

PAN: AALPK4889N

**For and on behalf of the Board of Directors of  
Dalmia Bharat Sugar and Industries Limited**

**B B Mehta**

W.T.D

DIN:00006890

**Gautam Dalmia**

Managing Director

DIN:00009758

Place : New Delhi

Date : May 24, 2022

NOTES

# Corporate Information

Board of Directors

Rajeev Bakshi  
Chairman  
Gautam Dalmia  
Managing Director  
Amita Misra  
P. Kannan  
T. Venkatesan  
Bharat Bhushan Mehta  
Whole Time Director & Chief Executive Officer

Pankaj Rastogi  
Chief Executive Officer - Sugar Business  
Deepak Kumar Singhal  
Chief Executive Officer – Consumer Business  
Anil Kataria  
Chief Financial Officer  
Aashima V Khanna  
Company Secretary

Statutory Auditors

NSBP & Co.,  
Chartered Accountants

Bankers

Punjab National Bank  
Axis Bank Limited  
Indian Bank (Formerly Allahabad Bank)  
HDFC Bank Limited  
RBL Bank Limited  
ICICI Bank Limited  
Union Bank of India (Formerly Corporation Bank)  
Yes Bank Limited  
IDBI Bank Limited

Registered Office

Dalmiapuram, district Tiruchirapalli  
Tamil Nadu - 621651

Corporate Office

11th & 12th floor, Hansalaya Building,  
15, Barakhamba Road,  
New Delhi - 110001

Registrar and Share Transfer Agent

Kfin Technologies Limited  
Karvy Seleium Tower B, Plot 31-32  
Gachibowli, Financial District  
Nanakramguda, Hyderabad - 500032



Hansalaya Building, 11th & 12th Floor  
15, Barakhamba Road, New Delhi 110001

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