Dalmia Bharat Sugar

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ND/SY/ 3505 August 30, 2021

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 and Record Date
Annual Report - Financial Year 2020-21

Dear Sir(s),

This is to inform you that the 69th Annual General Meeting ("**AGM**") of Dalmia Bharat Sugar and Industries Limited ("**Company**") is scheduled to be held on Tuesday, September 21, 2021 at 10.30 am IST through Video Conferencing / Other Audio Visual Means.

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 the Annual Report of the Company for the Financial Year 2020-21.

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, August 30, 2021 and uploaded on the Company's website at https://www.dalmiasugar.com/investors/ .

Pursuant to Regulation 42 of SEBI Listing Regulations, this is to inform you that the record date / cut-off date for the purposes of dividend is September 14, 2021.

Thanking You,

Yours faithfully,
For **Dalmia Bharat Sugar and Industries Limited**

Aashhima V Khanna

Aashhima V Khanna
Company Secretary
Membership No.: A34517

CC:

1. **National Securities Depository Limited**
   Trade World, 14th Floor, Kamla Mills Compound,
   Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

2. **Central Depository Services (India) Limited**
   Phiroze Jeejeebhoy Towers, 17th 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

Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu
Phone No. 04329-235132 Fax No. 04329-235111
CIN L26942TN1951PLC000640 Email: corp.sec@dalmiabharat.com
Website: www.dalmiasugar.com

NOTICE

Notice is hereby given that the Sixty Ninth Annual General Meeting of the members of the Company will be held on Tuesday, September 21, 2021 at 10.30 a.m. through video conferencing/ other audio video means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the (a) audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, 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, 2021 and the Report of the Auditors' thereon.

2. To consider and declare a dividend of ₹ 3/- (150%) per equity share of ₹ 2/- for the financial year 2020-21.

3. To consider and appoint a Director in place of Shri Gautam Dalmia (DIN 00009758), who retires by rotation and being eligible offers himself for re-appointment.

4. To consider and approve the remuneration of M/s. NSBP & Co., Chartered Accountants, the statutory auditors of the Company for the financial year 2021-22 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 Sections 139 and 142 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, M/s. NSBP & Co., Chartered Accountants (Firm Regn. No. 001075N), who have been appointed as the Statutory Auditors of the Company for a term of five years by the members at the Annual General Meeting held on August 31, 2017, be paid a remuneration of ₹ 20,00,000/- for the purposes of statutory audit for the financial year 2021-22 besides applicable taxes and reimbursement of travel and other out of pocket expenses to be incurred by them for the purposes of audit."

SPECIAL BUSINESS:

5. 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 2021-22 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 2021-22, amounting to ₹ 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."

6. To consider and appoint Mr. Rajeev Bakshi as an Independent Director 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Rajeev Bakshi (DIN 00044621), who was appointed as an Additional Director of the Company in the Independent Category, with effect from February 05, 2021 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and who holds office only upto the ensuing Annual General Meeting of the Company and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years commencing from February 05, 2021"

7. To consider and re-appoint Shri Gautam Dalmia as the Managing Director 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 Sections 149, 152, 196, 197, 198, 203 read with Schedule-V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, and the Articles of Association of the Company, Shri Gautam Dalmia (DIN: 00009758) be re-appointed as the Managing Director of the Company for a period of five years with effect from January 16, 2022 whose period of office shall be liable to determine by retirement by rotation, subject to the following terms and conditions:

a. Period of Appointment:

The appointment shall be valid for a period of 5 (five) years from the date of appointment, i.e., January 16, 2022.

b. Salary:

Basic Salary: ₹ 65,40,000 per month

Special Pay: ₹ 23,76,667 per month

c. Increments:

The increments to the salary shall fall due on 1st of April of each year and shall be such amount as may be determined by the Board of Directors on recommendation of the Nomination and Remuneration Committee.

d. Perquisites:

(i) Company's contribution to Provident Fund, Gratuity (including for period of past service) and Superannuation Fund (if opted for by the Managing Director) shall be in accordance with the Rules of the Company. These will not be included in the computation of the ceiling on remuneration.

(ii) Leave, Leave Travel Concession and Leave Encashment shall be as per Company's Rules.

(iii) The Company shall provide two cars, expenditure on fuel, maintenance, insurance, repairs and salaries of two drivers plus telephone at his residence.

e. Commission:

Commission as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, from time to time, be paid to the appointee so however that the amount of commission, so payable together with the salary does not exceed the limits set out under the Companies Act, 2013, as amended from time to time.

f. Minimum Remuneration:

In the event of loss or inadequacy of profits, the remuneration as aforesaid, including the increments as may be approved by the Nomination and Remuneration Committee and the Board of Directors from time to time, shall be continued to be paid to Shri Gautam Dalmia as minimum remuneration for a period not exceeding three years.

g. Other Terms and Conditions:

(i) The Managing Director shall be permitted to hold office as the Managing Director of any other group Company in addition to the office being held by him in the Company and the aggregate remuneration drawn by him from both the companies shall not exceed the higher maximum limit of remuneration admissible from any one of the companies of which he is a managerial person. The remuneration to be drawn by Shri Gautam Dalmia shall be decided by the Companies, inter se.

(ii) The Managing Director shall be entitled to privilege / sick / casual / general leave on full pay and allowances as per the Rules of the Company.

(iii) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee thereof.

(iv) The headquarters of the Managing Director shall be at New Delhi or at such other place as may be required, from time to time, and the Managing Director shall be allowed reimbursement of travelling expenses on Company's business outside the headquarters as per the Rules of the Company.

(v) The tenure may, notwithstanding the period of five years mentioned in clause (a) thereof, be terminated by either party by giving three months' notice in writing.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. To consider and re-appoint Shri Bharat Bhushan Mehta as the Whole Time Director and Chief Executive Officer 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 Sections 149, 152, 196, 197, 198, 203 read with Schedule-V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, and the Articles of Association of the Company, Shri Bharat Bhushan Mehta (DIN: 00006890) be re-appointed as the Whole Time Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2022, whose period of office shall be liable to determine by retirement by rotation, subject to the following terms and conditions:

a. Period of Appointment:

The appointment is valid for a period of 5 (five) years from the date of appointment, i.e., April 01, 2022.

b. Salary:

Basic Salary: ₹ 13,77,000 per month.

c. Allowances:

Personal and other Allowances: ₹ 12,71,793 per month.

d. Annual Increments:

The annual increments to the remuneration shall fall due on 1st of April of each year and shall be such amount as may be fixed by the Nomination and Remuneration Committee of the Board of Directors and approved by the Board.

e. Perquisites:

(i) Perquisites such as Leaves, Leave Travel Concession, Leave Encashment, Personal Accident Insurance, Reimbursement of Car and Driver expenses, Attire, etc., shall be as per Company's Rules relating to employees of the appointees' level.

(ii) Provident Fund, Gratuity and Superannuation: Company's contribution to Provident Fund, Gratuity and Superannuation Fund shall be in accordance with the Rules of the Company. These will not be included in the computation of the ceiling on remuneration.

(iii) Employee Stock Options as may be granted to him from time to time as per the Employee Stock Option Plan.

f. Minimum Remuneration:

In the event of loss or inadequacy of profits, the remuneration as aforesaid, including the increments as may be approved by the Nomination and Remuneration Committee and the Board of Directors from time to time, shall be continued to be paid to Shri Bharat Bhushan Mehta as minimum remuneration for a period not exceeding three years.

g. Other Terms and Conditions:

(a) The Whole-time Director shall be entitled to privilege / sick / casual / general leave on full pay and allowances as per the Rules of the Company.

(b) The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee thereof.

(c) The headquarters of the Whole-time Director shall be at New Delhi or at such other place as may be required, from time to time, and the Whole Time Director shall be allowed reimbursement of travelling expenses on Company's business outside the headquarters as per the Rules of the Company.

(d) The tenure may, notwithstanding the period of five years mentioned in clause I hereof, be terminated by either party by giving six months' notice in writing.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. To consider and re-appoint Shri Raghu Hari Dalmia as an Advisor to the Company 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 188 of the Companies Act, 2013 and other applicable provisions, if any, read with the relevant rules of the Companies (Meetings of the Board and its Powers) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Raghu Hari Dalmia, brother of late Shri Jai Hari Dalmia, be and is hereby re-appointed as an Advisor to the Company for a period of three years with effect from May 01, 2022 at a total remuneration of ₹ 1.50 Crore per annum, with 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.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

10. To consider and approve the alteration in the Memorandum of Association 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 Section 13 and other applicable provisions, if any, of Companies Act, 2013 and the rules framed there under, as amended from time to time, and subject to registration by the Registrar of Companies, the following alteration(s) in the objects clause of the Memorandum of Association of Company be and are hereby approved:

(a) Addition of clause III. (A) The objects for which the Company is established and sub clauses 1 to 4; and clause III. (B) The objects necessary in furtherance of objects specified in III. (A) and sub clauses 5 to 16, after clause II of the Memorandum of Association;

(b) Deletion of existing Clause III and sub-clauses 1 and 2 thereof appearing after clause II of the Memorandum of Association;

(c) Renumbering of existing sub-clauses 1 (1A) and (1B) as sub clauses 17 and 18;

(d) Renumbering existing sub-clauses (2A), (2B) and (2C) as sub clauses 19, 20 and 21;

(e) Renumbering existing sub clauses 3 to 16 as sub clauses 22 to 38.

RESOLVED FURTHER THAT the revised objects clause of the Memorandum of Association of the Company, as placed before the shareholders as part of the Explanatory Statement be and is hereby approved and adopted.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

11. To consider and approve the alteration in the Articles of Association 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 Section 14 and other applicable provisions, if any, of Companies Act, 2013 and the rules framed there under, as amended from time to time, and subject to the registration by the Registrar of Companies, consent of the Shareholders of the Company be and is hereby accorded, to alter the existing Articles of Association of Company by replacing the same with a new set of Articles of Association of the Company as placed before the Members as a part of the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, including filing the requisite forms with Ministry of Corporate Affairs, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Aashhima V Khanna
Company Secretary
Membership No. ACS- 34517

Place: New Delhi
Dated: July 30, 2021

KEY INFORMATION

S. No.	PARTICULARS	DETAILS
1	Link for attending live webcast of the Annual General Meeting ("AGM") through Video Conferencing ("VC")	https://emeetings.kfintech.com
2	Link for e-voting [remote/at the AGM]	https://evoting.kfintech.com
3	Link for Members to temporarily update e-mail address	https://karisma.kfintech.com/emailreg
4	Username and password for VC and e-voting	Please use the remote e-voting credentials.
5	Helpline number for VC and e-voting	KFin Technologies Private Limited - 1-800-3454-001 / evoting@kfintech.com
6	Registrar and Share Transfer Agent	KFin Technologies Private Limited Unit: Dalmia Bharat Sugar and Industries Limited Mr. Bhaskar Roy E-mail: einward.ris@kfintech.com; evoting@kfintech.com Contact No.: 040 - 6716 2222
7	Cut-off date for e-voting	Tuesday, September 14, 2021
9	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)	Khurana.harish@gmail.com and https://evoting.kfintech.com on or before September 17, 2021
9	Speaker Registration and period of submission of questions, if any, in advance and e-mail address	Commences at 9 AM IST on Thursday, September 16, 2021 and ends at 5 PM IST on Friday, September 17, 2021 Post / send at https://emeetings.kfintech.com / Khanna.aashima@dalmiasugar.com
10	Remote e-voting period	Commences at 9 AM IST on Saturday, September 18, 2021 and ends at 5 PM IST on Monday, September 20, 2021
11	Last date for publishing results of the e-voting and results availability	Thursday, September 23, 2021 www.kfintech.com www.dalmiasugar.com

NOTES:

1. In view of the prevailing outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular nos. 02/2021 dated 13th January, 2021 has permitted companies to hold their Annual General Meetings **("AGM")** through VC/OVAM for the calendar year 2021.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the AGM of the Company is being conducted through Video Conferencing / Other Audio Video Means, herein after called as **"e-AGM"**.
3. The Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents **("RTA")**, to provide VC facility for the e-AGM.
4. Pursuant to the MCA Circulars:
    a. Members can attend the e-AGM through log in credentials provided to them to connect to VC. Physical attendance of the Members at the e-AGM is not required.
    b. Appointment of proxy(ies) to attend and cast vote on behalf of the Member(s) is not available.
    c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Members can join the e-AGM 30 minutes before the scheduled time of the commencement of the e-AGM by following the procedure mentioned in the Notice.
6. Up to 1000 Members will be able to join on a First In First Out **("FIFO")** basis the e-AGM of the Company.
7. There is no restriction on account of FIFO entry into e-AGM for the large shareholders (i.e., 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 and Auditors etc.
8. The attendance of the Members attending the e-AGM through log in will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. **Remote e-Voting:** 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), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 **("SEBI Listing Regulations")** and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency namely "KFin Technologies Private Limited".
10. **Voting at the e-AGM:** Members who could not vote through remote e-voting may do the e-voting at the e-AGM.
11. In line with the MCA Circulars, 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 is also available on the website of e-voting agency at https://evoting.kfintech.com
12. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.
13. All documents referred to in the Notice and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 shall be available for inspection electronically during the e-AGM. Members seeking to inspect such documents can send an email to the Company Secretary.
14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 14, 2021.
15. The Board of Directors has appointed Mr. Harrish Khurana, Practicing Company Secretary, as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
16. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and send the same to the Chairman or a person authorized by him in writing who shall countersign the same.
17. The results shall be declared forthwith by the Chairman or a person authorized by the Board and the Resolutions will be deemed to be passed on the AGM date subject to the requisite number of votes in favour of the Resolution(s).
18. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website www.dalmiasugar.com and on the website of KFin Technologies Private Limited, www.kfintech.com within 48 hours from the AGM and shall also be communicated to the Stock Exchanges where the Company's shares are listed as also displayed in the Notice Board at the Registered Office of the Company.
19. As per Regulation 40 of SEBI Listing Regulations, transfer of securities can be carried out only in dematerialized form with effect from April 01, 2019. Accordingly, any request for transfer of shares in physical form will not be accepted by the Company/RTA. This restriction will however not be applicable to the request received for transmission or transposition of physical shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat

account or alternatively, contact any of the nearest branches of RTA to guide you in the demat procedure. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.

20. Members who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Company Secretary or the Company's RTA for revalidation and encash them before the due date. In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all the benefits accruing on such shares e.g., bonus shares, split, consolidation, fraction shares etc. except rights issue shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Therefore, it is in the interest of shareholders to claim the unclaimed / un-encashed amount of dividend, with in scheduled time.

21. Any person whose shares, unclaimed/un-encashed dividend, matured deposits, matured debentures, or interest thereon, have been transferred to the IEPFA, can claim back the same from IEPFA by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

23. Pursuant to Finance Act 2020, dividend income is taxable in the hands of members with effect from April 01, 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are also requested to refer 'Communication to shareholders – 20.08.2021' at https://www.dalmiasugar.com/wp-content/uploads/2021/08/Communication-to-Shareholders-2021.pdf in this regard. The members are also requested to update their PAN with the Company / KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA:

On account of threat posed by COVID-19 and in terms of the MCA Circulars and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their e-mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case the shares are held in electronic form and with the Company's RTA, in case the shares are held in physical form.

2. Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their e-mail address and mobile number registered with the Company's RTA, by clicking the link: https://karisma.kfintech.com/emailreg for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com

3. Shareholders may also visit the website of the Company www.dalmiasugar.com or the website of the https://evoting.kfintech.com for downloading the Annual Report and Notice of the e-AGM.

Instructions for the Members for attending the e-AGM through Video Conference:

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. The e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences on 9:30 AM Saturday, September 18, 2021 and ends at 5:00 PM on Monday, September 20, 2021. During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, September 14, 2021, i.e., cut-off date, may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

v. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vi. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

vii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) 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 (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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user of 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com 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, Kfin Technologies Private Limited, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com 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 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. Once login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Details on Step 2 are mentioned below:

II) **Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

I. Launch internet browser by typing the URL: https://evoting.kfintech.com

II. Enter the login credentials provided in the email and click on Login.

III. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.

IV. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,).

V. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

VI. Login again with the new credentials.

VII. On successful login, the system will prompt you to select the "EVENT" i.e. "Dalmia Bharat Sugar and Industries Limited."

VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

IX. Members holding multiple folios may choose to vote differently for each folio / demat account.

X. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".

XI. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'DBL _EVENT No'

XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspx or call KFin on 1-800-309-4001 (toll free).

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

I. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link:

II. https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Select the company name i.e. CL EDUCATE LIMITED

III. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical

IV. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.

V. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.

VI. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

VII. Enter the email address and mobile number.

VIII. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.

IX. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.

X. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.

XI. Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.

XII. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1-800- 309-4001.

II. Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

1. Members are provided with a facility to attend the e-AGM through video conferencing platform provided by the RTA. Members may access the same at https://evoting.kfintech.com under shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. 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.

2. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.

3. Further, Members will be required to keep Camera on, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

5. 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 networks. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Members who would like to express their views/ ask questions during the meeting may log in to https://emeetings.kfintech.com and post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, a Member's questions will be answered only if he continues to hold the shares as of cut-off date.

7. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM.

   Instructions for members for e-Voting during the e-AGM:

1. Only those Members/shareholders, who will be present in the e-AGM through VC facility and who have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM.

2. However, Members who have voted through remote e-Voting will be eligible to attend the e-AGM.

The instructions for remote e-voting are as under:

In case a Member receives the notice of e-AGM through an email from the RTA [for members whose email IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the following URL: https://evoting.kfintech.com

ii. Enter the login credentials (i.e., User ID and password mentioned overleaf). However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. First time users will now reach password change menu wherein they will be required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i. e. "Dalmia Bharat Sugar and Industries Limited."

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding. If the Member does not indicate either "FOR" or "AGAINST" then such electronic vote shall be treated as "ABSTAIN/INVALID" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote for any specific item it will be treated as "abstained".

x. Cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the all Resolution(s).

xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at E-mail ID: Khurana.harish@gmail.com, with a copy marked to https://evoting.kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name and EVENT NO."

xiii. In case a person becomes a member of the Company after the dispatch of e-AGM Notice but on or before the cut-off date, i.e., September 14, 2021, the Member may write to the RTA on the email Id Bhaskar.roy@kfintech.com or to Mr. Bhaskar Rao, Contact No. 040-671616222, at M/s KFin Technologies Private Limited (Unit: Dalmia Bharat Sugar and Industries Limited), Selenium Tower B, Plot No. 32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, requesting for the User ID and Password. After receipt of the same, please follow all the instructions from Sl. No. (i) to Sl. No. (xii) as mentioned in (A) above, to cast your vote.

xiv. The remote e-voting period commences on September 18, 2021 (9:30 am) and ends on September 20, 2021 (5:00 pm). During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date being September 14, 2020, may cast their vote electronically. The e-voting module shall be disabled by the RTA for voting thereafter. E-Voting will thereafter be opened during e-AGM. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically may participate in the e-AGM but shall not be allowed to vote again.

xv. 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 https://evoting.kfintech.com or contact the RTA at Tel. No. 18003454001 (toll free).

xvi. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

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, 2021, 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 2021-22 to audit the cost records of the Company.

The Board has also approved and recommended a remuneration of ₹ 3,75,000/-, besides applicable taxes and reimbursement of travelling 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:

The Board of Directors had, at its meeting held on February 05, 2021, appointed Shri Rajeev Bakshi as an Additional Director in the Independent Category for a term upto five consecutive years.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, approval of Shareholders is required for his appointment as a Director in Independent Category for a term of five consecutive years with effect from February 05, 2021.

Shri Rajeev Bakshi is an Economics graduate from St. Stephens College, Delhi University and an MBA from the Indian Institute of Management, Bangalore and has a leadership experience of over 40 years across food and FMCG businesses. In his professional career, he has held senior leadership positions and had also been awarded by IIM Bangalore the "Distinguished Alumni Award "in recognition of his contributions to business and society in 2014.

Except Shri Rajeev Bakshi, none of the Directors of the Company or the Key Managerial Personnel or their relatives are financially or otherwise interested in the above Resolution set out at Item No. 6.

The Directors recommend the Resolution set out at Item No. 6 to be passed as an Ordinary Resolution.

Item No. 7:

Shri Gautam Dalmia was appointed as Managing Director of the Company by the shareholders at 64th Annual General Meeting held on September 09, 2016 for a period of five years with effect from January 16, 2017 till January 15, 2022.

It is accordingly proposed to re-appoint Shri Gautam Dalmia as the Managing Director of the Company for a period of five years with effect from January 16, 2022. His office shall be liable to determine by retirement by rotation. The Company has received declaration from Shri Gautam Dalmia to the effect that he is not disqualified from being re-appointed as Director of the Company.

Shri Gautam Dalmia holds 1,51,990 equity shares of ₹ 2/- each of the Company.

In terms of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may pay remuneration to the managerial person as per the limits prescribed therein. Provided that the remuneration in excess of prescribed limits may be paid if the resolution passed by the shareholders is a special resolution.

Further, in terms of Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The remuneration as approved shall be the minimum remuneration payable to Shri Gautam Dalmia, member of the Promoter Group. Accordingly, his appointment and remuneration is proposed to be approved by a Special Resolution.

Except Shri Gautam Dalmia, none of the Directors of the Company or the Key Managerial Personnel or their relatives are financially or otherwise interested in the above Resolution set out at item no. 7.

The Directors recommend the Resolution set out at Item No. 7 to be passed as Special Resolution.

The information required to be disclosed in the explanatory statement to the Notice as per Schedule V of the Companies Act, 2013 is detailed below:

I. General Information:

1. Nature of Industry: Manufacturers of sugar, distillery products, co-generation and dead burnt magnesite.

2. Date of commencement of commercial production:

   The Company has been in the business of manufacture of dead burnt magnesite since last over 6 decades. Thereafter it started the business of sugar in the year 1994 and major expansion of sugar capacity, cogeneration and distillery happened in the year 2007 – 08.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators:

(₹ in crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Turnover/other income	2,018.51	2,110.79	2,685.78
Profit/Loss before Tax	203.80	251.95	367.44
Profit/Loss after tax	187.38	198.01	269.50

Export performance and net foreign exchange collaborations:

(₹ in crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Export Turnover	151.34	123.27	419.11

5. Foreign investments or collaborators, if any: No foreign collaboration is involved.

II. Information about the appointee:

1. Background details:

   Shri Gautam Dalmia, aged 53 years, holds B.S. and M.S. degrees in Electrical Engineering from Columbia University. He has about 28 years of experience in the cement and sugar industries. He was part of the team that led the diversification of the Company into sugar business in 1994. He was personally responsible for implementing a new strategy to turnaround the sugar business. He has led the effort to design and implement the Company's integrated sugar, ethanol and cogeneration business. He is directly responsible for managing the sugar business and is leading all operations and execution of the projects.

   Past remuneration: FY 2020-21 (₹ in crores)

Name	Dalmia Bharat Sugar and Industries Limited	Dalmia Bharat Limited
Shri Gautam Dalmia	5.82	15.05

3. Recognition or award: None.

4. Job profile and suitability:

   Shri Gautam Dalmia is entrusted with substantial powers of management of the Company and, in particular, is responsible for managing the entire area of operations of the businesses of the Company. He has the expertise in accelerating growth and building organizational capability to ensure delivery of business goals.

5. Remuneration proposed: As per proposed Special Resolution.

6. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person.

   Comparative figures of remuneration to Managing Directors/ Executive Directors paid by Companies in India of similar size during financial year 2019-20 are given below:

(₹ in crores)

Name of the Company	Turnover	Total remuneration including retirement benefits
Dhampur Sugar Mills	3423.91	25.8
Triveni	4423.57	5.6

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel if any.

   Shri Gautam Dalmia holds 151990 equity shares of the Company. Apart from Shri Gautam Dalmia none of the Directors or the Key Managerial Personnel or their relatives are financially or otherwise interested in the resolutions set out in item no.7.

III. Other Information:

1. Reasons of loss or inadequate profits.

   Presently there is no loss or inadequate profits. However, the sugar industry is a controlled industry and is dependent on good agro climatic conditions for its success. The industry constantly faces price pressures imposed by the Government policies as a result of which there are likely to be losses or inadequate profits during the tenure of appointment.

2. Steps taken or proposed to be taken for improvement.

   The Company has cogeneration plants and also distillery(ies), the Company is also venturing into B2C market so as to have revenues from these activities to reduce the price pressure. The Company is also making its efforts in improving its productivity by ensuring the sowing of the right varieties of sugarcane.

3. Expected increase in productivity and profits in measurable terms.

   It is expected to increase in the turnover / sales and profits due to favourable industry conditions and continuous efforts made by the Company in the direction.

The Board accordingly recommends the passing of the Special Resolution.

As stated above, except Shri Gautam Dalmia, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8

Shri Bharat Bhushan Mehta was appointed as Whole Time Director of the Company by the shareholders at 67th Annual General Meeting held on August 29, 2019 for a period of three years with effect from April 01, 2019 till 31st March, 2022.

It is accordingly proposed to re-appoint Shri Bharat Bhushan as the Whole Time Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2022. His office shall be liable to determine by retirement by rotation. The Company has received declaration from Shri Bharat Bhushan Mehta to the effect that he is not disqualified from being re-appointed as Director of the Company.

In terms of Section 197 read with Schedule V of the Companies Act, 2013, no company shall appoint or continue the employment of any person as Managing Director/Whole Time Director/Manager who is below the age of 21 years or has attained the age of 70 years. Provided that appointment of a person who has attained the age of 70 years may be made by passing a special resolution.

Further, Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may pay remuneration to the managerial person as per the limits prescribed therein. Provided that the remuneration in excess of prescribed limits may be paid if the resolution passed by the shareholders is a special resolution.

Shri Bharat Bhushan Mehta would attain the age of 70 years during his tenure of five years with effect from April 01, 2022 till 31st March, 2027. The remuneration as approved shall be the minimum remuneration payable to Shri Bharat Bhushan Mehta. Accordingly, his appointment and remuneration is proposed to be approved by a Special Resolution.

Keeping in view the experience and contributions made by Shri Bharat Bhushan Mehta during his tenure as Director of the Company, he is recommended to be re- appointed as the Whole Time Director and Chief Executive Officer of the Company. Shri Bharat Bhushan Mehta holds nil shares in the Company and he would be functioning in a professional capacity.

Except Mr. Bharat Bhushan Mehta, none of the Directors of the Company or the Key Managerial Personnel or their relatives are financially or otherwise interested in the above Resolution set out at item no. 8.

The Directors recommend the Resolution set out at Item No. 8 to be passed as Special Resolution.

The information required to be disclosed in the explanatory statement to the Notice as per Schedule V of the Companies Act, 2013 is detailed below:

I. General Information:

1. Nature of Industry: Manufacturers of sugar, distillery products, co-generation and dead burnt magnesite.

2. Date of commencement of commercial production:

   The Company has been in the business of manufacture of dead burnt magnesite since last over 6 decades. Thereafter it started the business of sugar in the year 1994 and major expansion of sugar capacity, cogeneration and distillery happened in the year 2007 – 08.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators:

(₹ in crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Turnover/other income	2,018.51	2,110.79	2,685.78
Profit/Loss before Tax	203.80	251.95	367.44
Profit/Loss after tax	187.38	198.01	269.50

Export performance and net foreign exchange collaborations:

(₹ in crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Export Turnover	151.34	123.27	419.11

5. Foreign investments or collaborators, if any: No foreign collaboration is involved.

II. Information about the appointees:

1. Background details:

   Shri Bharat Bhushan Mehta, aged about 68 years, is B.Com (Hons.) and a Member of the Institute of Chartered Accountants of India 1976. He has about 45 years of experience in the field of Accounts, Finance, Commercial, Projects, Operations and General Management in sugar and allied businesses.

   He has been associated with the Dalmia Bharat Group for more than 4 decades and has contributed to the growth of the Company.

2. Past remuneration:

   The remuneration (CTC) of Shri B. B. Mehta during FY 2020-21 in Dalmia Bharat Sugar and Industries Limited was ₹ 3.19 Crore.

3. Recognition or award: Shri Bharat Bhushan Mehta got 29th All India Rank in ICAI. He has been conferred the prestigious life time achievement award by the Sugar Technologist's Association of India ("STAI")

4. Job profile and suitability:

   Shri Bharat Bhushan Mehta is entrusted with substantial powers of management of the Company and, in particular, is responsible for managing the entire area of operations of the businesses of the Company. He has the expertise in accelerating growth and building organizational capability to ensure delivery of business goals.

5. Remuneration proposed: As per proposed Special Resolution.

6. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person.

   Comparative figures of remuneration to Managing Directors/ Executive Directors paid by Companies in India of similar size during financial year 2019-20 are given below:

(₹ in Crore)

Name of the Company	Turnover	Total remuneration including retirement benefits
Dhampur Sugar Mills	3423.91	25.8
Triveni	4423.57	5.6

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel if any.

   Shri Bharat Bhushan Mehta holds nil shares of the Company. He being the appointee has direct financial interest in the proposed aforesaid resolution as it relates to remuneration payable to him. Apart from Shri Bharat Bhushan Mehta none of the Directors or the Key Managerial Personnel or their relatives are financially or otherwise interested in the resolution set out at item no. 8.

III. Other Information:

1. Reasons of loss or inadequate profits.

   Presently there is no loss or inadequate profits. However, the sugar industry is a controlled industry and is dependent on good agro climatic conditions for its success. The industry constantly faces price pressures imposed by the Government policies as a result of which there are likely to be losses or inadequate profits during the tenure of appointment.

2. Steps taken or proposed to be taken for improvement.

   The Company has cogeneration plants and also distillery(ies), the Company is also venturing into B2C market so as to have revenues from these activities to reduce the price pressure. The Company is also making its efforts in improving its productivity by ensuring the sowing of the right varieties of sugarcane.

3. Expected increase in productivity and profits in measurable terms.

   It is expected to increase in the turnover / sales and profits due to favourable industry conditions and continuous efforts made by the Company in the direction.

The Board accordingly recommends the passing of the Special Resolution.

As stated above, except Shri Bharat Bhushan Mehta, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

Shri Raghu Hari Dalmia, brother of late Shri Jai Hari Dalmia, was appointed as Advisor by the shareholders at 67th Annual General Meeting held on August 29, 2019 for a period of three years with effect from May 01, 2019 till April 30, 2022.

Shri Raghu Hari Dalmia holds a bachelors degree in technology from IIT, New Delhi. He has an industry experience of more than four decades. He has been associated with various industry organizations including Indian Refractories Makers Association as President and PHD Chamber of Commerce as the Chairman of the Environment Committee. In view of his vast experience, it is proposed to re-appoint him as Advisor to the Company for a further period of three years with effect from May 01, 2022.

Shri Raghu Hari Dalmia, being brother of late Shri Jai Hari Dalmia, is a related party in terms of Section 2(76) of the Companies Act, 2013. As per section 188 (1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meetings of the Board and its Powers) Rules, 2014, appointment of a related party to any office or place of profit in the Company at a monthly remuneration exceeding ₹ 2.5 Lakh requires approval of the members.

The appointment of Shri Raghu Hari Dalmia is in the ordinary course of business and at arm's length basis.

The Board accordingly recommends the passing of the Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

Item No. 10 and 11

The Company was incorporated as "Dalmia Cement (Bharat) Limited" on November 01, 1951 under the Companies Act, 1913. The main objects of the Company at the time of incorporation was "Cement". The Company diversified its business activities into sugar business in 1994. The objects clause of the Company has been amended from time to time since incorporation.

Since, the Company is no more engaged in cement business and is expanding in sugar and allied business(es), venturing out in consumer business, engaged in distillery, power and refractory business, and in view of changes in the Company law from time to time and upon enforcement of the Companies Act, 2013, it is proposed to amend the objects clause of the Memorandum of Association by –

a. incorporating current business specific clauses;

b. deleting cement business related clauses; and

c. renumbering and rearranging the new and old relevant clauses in accordance with the provisions of the Companies Act, 2013.

The proposed revised objects clause of the Memorandum of Association is attached and marked as Annexure 1.

Further, pursuant to the Companies Act, 2013 and other amendments from time to time, several clauses in the existing Articles of Association had become redundant or needed extensive modification. Under the circumstances, it was considered prudent to replace the existing Articles of Association with a new set of Articles of Association of the Company.

The proposed revised Articles of Association is attached and marked as Annexure 2.

The Board of Directors of the Company has proposed the adoption of the new AOA on July 30, 2021 and accordingly recommends the passing of the Resolutions set out in item number 10 and 11 by way of a special resolution(s).

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 10 and 11.

Additional Information on Directors recommended for appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards-2 as prescribed by the Institute of Company Secretaries of India.

Name of the Director	Shri Rajeev Bakshi	Shri Gautam Dalmia	Shri Bharat Bhushan Mehta
Director Identification Number	00044621	00009758	00006890
Date of Birth	07/05/1957	16/01/1968	20/08/1953
Date of Appointment	05/02/2021 (Non-Executive Independent Director)	16/01/2022 (Executive Director)	01/04/2022 (Executive Director)
Qualification	Economics Hons. and MBA	B.S and M.S in Electrical Engineering	B.Com(Hons), CA
Experience & Expertise in specific functional area	He has a leadership experience of over 40 years across food and FMCG businesses and has held senior leadership positions.	He has about 28 years of experience in cement and sugar industries. He was a part of the team which lead to diversification of sugar business in the Company in the year 1994.	He has more than 40 years of experience in the field of Accounts, Finance, Commercial, Projects, Operations and General Management in sugar and allied businesses.
Profile of the Director	Shri Rajeev Bakshi is an Economics graduate from St. Stephens College, Delhi University and an MBA from the Indian Institute of Management, Bangalore and has a leadership experience of over 40 years across food and FMCG businesses. In his professional career, he has held senior leadership positions and had also been awarded by IIM Bangalore the "Distinguished Alumni Award "in recognition of his contributions to business and society in 2014.	Mr. Gautam Dalmia holds B.S. and M.S. degrees in Electrical Engineering from Columbia University.	Shri Bharat Bhushan Mehta is B.Com (Hons.) and a Member of the Institute of Chartered Accountants of India 1976. He has about 45 years of experience in the field of Accounts, Finance, Commercial, Projects, Operations and General Management in sugar and allied businesses.
Terms & Conditions of appointment along with details of remuneration sought to be paid and last drawn by him	Shri Rajeev Bakshi is proposed to be appointed as a Non-Executive Independent Director for a period of 5 years with effect from February 05, 2021. Please refer resolution No. 6 and explanatory statement in respect thereto for terms and conditions of appointment.	Shri Gautam Dalmia is proposed to be re-appointed as Managing Director of the Company for a period of 5 years, with effect from January 16, 2022. Please refer resolution No. 7 and explanatory statement in respect thereto for terms and conditions of his appointment.	Shri B. B. Mehta is proposed to be re-appointed as Whole Time Director and Chief executive Officer of the Company for a period of 5 years, with effect from April 01, 2022. Please refer resolution No. 8 and explanatory statement in respect thereto for terms and conditions of his appointment.
Shareholding in the Company	NIL	151990	NIL
Relationship with other Directors and KMPs of the Company	None	None	None
No. of meetings of the Board attended during the year	1	5	5
List of Public Limited Companies in which outside directorship held	4	5	5

Name of the Director	Shri Rajeev Bakshi	Shri Gautam Dalmia	Shri Bharat Bhushan Mehta
Chairman/Member of the Committees of Board of Directors of Indian Companies	**Cummins India Limited:** Audit Committee - **Member** **Raymond Consumer care Limited:** Nomination and Remuneration Committee - **Member** **Dalmia Bharat Sugar and Industries Limited:** Nomination and Remuneration Committee and Risk Management Committee - **Member**	**Dalmia Bharat Limited :** Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee - **Member** **Dalmia Cement (Bharat) Limited :** Finance Committee and Corporate Social Responsibility Committee - **Member** **Dalmia Bharat Sugar and Industries Limited :** Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Finance Committee - **Member** **Sita Investment Limited:** Corporate Social Responsibility Committee - **Member** **In Indian Energy Exchange Limited :** Buyback Committee, Strategic Committee Technology Advisory Committee. Enterprise Risk Management Committee, Stakeholders Relationship Committee and Audit Committee - **Member** **In Indian Gas Exchange Limited :** He is a member of Audit Committee.	**In Dalmia Bharat Sugar and Industries Limited:** Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Audit Committee and Risk Management Committee – **Member**

Annexure 1

Revised objects clause of the Memorandum of Association

III. (A) The objects for which the Company is established.

1. To manufacture, produce, purchase, sell, trade, import, export, treat, boil, refine, prepare, brew and generally to deal with either as principal or agent either solely or in partnership with others in all varieties of sugar, sugar candy, jaggery, khandsari sugar, natural brown sugar, icing sugar, breakfast sugar, bura sugar, demerera, sugar beet, sugar cane, molasses, syrups, melada, alcohol, ethanol, spirits and all products and by-products thereof such as confectionery, biscuits, chocolates, aerated waters, glucose, honey, breakfast cereals, snacks, table top products, edible oils, bakery products, wheat and wheat products, spices, pulses, rice, ready to cook, heat and eat foods, frozen foods, beverages, pickles and chutneys, dehydrated fruits and vegetables, tinned fruits, dry fruits, candies, milk and milk products, bagasses, bagasse boards, paper, paper pulp, butyl alcohol, acetone, carbon-di-oxide, hydrogen, potash, cane wax, fertilizers, cattle feed and food products generally.

2. To manufacture, produce, purchase, sell, trade, import, export and generally to deal in all types of sugar, sugarcanes and high starch agro products, agro based products, ethanol, alcohol, potable liquor, extra neutral alcohol, chemicals, distillers, oil refiners, dye makers, gas makers, electricity, carbon, hydrocarbons, liquid or gaseous petroleum and petroleum products, minerals and the products or the bye-products thereof or its feed stocks or which may be derived, produced, prepared, developed, compounded, made or manufactured there from and substances obtained by mixing any of the foregoing with other substances and any and all kinds, types, purposes, grades, forms and formulations of alcohol products including rectified spirit, sanitizer(s), disinfectants and to put to commercial use and otherwise deal in any manner in all or any of them and their allied products and materials

3. To carry on the business of generation, co-generation, captive consumption, sale, distribution of all forms of energy / power by installation of power plant or otherwise, from hydel, solar, wind farm, conventional and/or non-conventional sources, setting up of facilities for distribution of all forms of energy / power, to buy, sell energy / power from/to any person, Government of India, State Government(s), Municipal or local authority(ies), company or person(s) in India or elsewhere and to transfer power to units/plants of its own group or otherwise for captive use.

4. To manufacture, produce, mine, purchase, sell, treat or otherwise deal with bricks, tiles, pipes, pottery, earthen-ware, sanitary-ware, china and terracotta, dolomite, graphite, refractories and ceramic-ware, fire clay, china clay, magnesite, quertizite and all other refractory materials, chemicals of all kinds including acids, alkalis and salts, manures, fertilizers, dyes, caustic soda, soda ash, sulphur, sulphuric acid, sulphates, sulphur pyrites, alums, dry ice, catechu, chlorine, colours, paints, varnishes, and other allied products.

III (B) The objects necessary in furtherance of objects specified in III. (A)

5. To plant, cultivate, produce, raise or purchase all kinds of foodstuffs including sugarcane, sorghum rice, maize, sugar-beet, sago, palmyra juice, oil seeds, vegetables, fruits, grass, timber, wood, bamboo, straw, cotton, jute, flex, hemp and other crops, articles, raw materials used in the production of sugar and its products and by-products and to sell, purchase and deal in the same as principals or agents.

6. To establish, purchase, acquire, construct, own, design, engineer, fabricate, build, alter, improve, operate, manage, maintain, repair, buy and sell refineries, pipelines, buildings, mills, factories, plants, equipment, facilities, shops, store-rooms, outlets and other place(s) for the production, refining, processing, storage, custody, bailment, deposit, protection, supply, sale, transportation and distribution of all types of sugars, sugarcanes and agro based products, including those referred to hereinabove and derivatives thereof, whether liquid, solid or gaseous, and alcohol and power of all kinds and to provide consultancy in all respects of all or any of the aforesaid.

7. To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of agricultural and industrial chemicals, fertilizers, manures, their mixtures and formulations and all classes and kinds of chemicals, source materials, ingredients, mixtures, derivatives and compounds thereof, and all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including but not limited to fertilizers and agricultural and industrial chemicals of all kinds, and industrial and other preparations or products arising from or required in the manufacture, refining, etc. of any kind of fertilizer, manure, their mixtures and formulations.

8. To apply for, purchase or otherwise acquire trademarks, patents, licenses, concessions and the like concerning any exclusive or non-exclusive or limited right of any kind which may appear to be necessary or convenient for the business of the company and to purchase or otherwise acquire any secret or other information as to any invention which may seem capable of being used for any of the objects of the Company.

9. To enter into agreement(s) / contract(s) with Indian or foreign individuals, firms or companies for financial or other assistance or collaboration for carrying out all or any of the objects of the Company.

10. To promote / collaborate with or amalgamate / acquire and take over as a going concern, any company(ies) having similar objects for the purpose of acquiring all or any of the property rights and liabilities of this Company or for any other purpose.

11. To purchase, sell, barter, exchange, pledge, make advances upon or otherwise deal in all kinds of goods, articles and merchandise, which can conveniently be carried on in connection with the objects of the Company.

12. To act as storekeepers in all its branches and to buy, sell, make and deal in goods, stores, consumable articles, chattels, and effects of all types and to transact every type of agency business or work or transaction and to generally enter in all such business and to do all such acts and things as may be conducive to the business of the Company, which can conveniently be carried on in connection with the objects of the Company.

13. To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or businesses herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.

14. To purchase, charter, hire, or otherwise acquire vehicles for any of the businesses of the Company.

15. To carry on the business of consultants and/or advisors to and for the benefit of any person, firm, company, corporation, body-corporate, trust, institution, association, society or any other organization whatsoever relating to sugar, power, refractory industries and to render consultancy, advisory and other services.

16. To carry on the business as travel agents, tour operators, clearing and forwarding agents and the business of booking and reserving accommodation, seats, compartments and berths on railways, ships, boats, aeroplanes, omni buses, motor cars, motor buses and to issue tickets for the same and to hire or own taxies, motor cars and all kinds of public transport/vehicles launches and boats.

17. To organise and effect export from and import into India of all classes, types, varieties and categories of goods and commodities and to undertake the purchase, sale and transport of and general trade in such goods and commodities in India or anywhere else in the world.

18. To barter, exchange, pledge, manipulate, treat, manufacture and deal in merchandise, commodities and articles of all kinds and to carry on any kind of commercial and/or financial business.

(Clauses 17 and 18, previously numbered as 1-A and 1-B, were added as per Special Resolution passed on 28-6-1963 which was confirmed by Order of Madras High Court dated 28-2-1964 in Company Petition No. 66 of 1963)

19. To produce, mine, manufacture, treat, purchase, sell or otherwise deal with:

    a) Bricks, Tiles, Pipes, Pottery, Earthnware, Sanitary ware, China and Terracotta, Dolomite, Sulphur Pyrites, Graphite, Refractories and Ceramic Ware of all kinds;

    b) Fire clay, China clay, Magnesite, Quertizite and all other refractory materials.

20. To carry on the business of iron founders, steel founders, non-ferrous metal founders, mechanical engineers, structural engineers, electrical engineers, manufacturers of cast iron and steel pipes, manufacturers of grinding medias, manufacturers of agricultural implements and other machineries, tool makers, metal workers, boiler makers, mill wright, machinist, iron and steel converters, smith wood workers, builders, painters, metallurgists, water supply engineers, gas makers, farmers, printers, carriers and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machineries, implements, rolling stocks and hard-ware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated or indirectly, to enhance the value of any of the Company's property and rights for the time being.

21. To acquire Bauxite Mines and to carry on the trade or business of manufacturers of abrasives in all forms and of alumina, aluminium and all derivatives thereform.

(Clauses 19, 20 and 21, previously numbered as 2A, 2B & 2C, were added as per Special Resolution passed on 15-9-1955 which were confirmed by Order of Madras High Court dated 13-2-1956 in O.P. No, 348 of 1955)

22. To plant, cultivate and purchase all kinds of foodstuffs, oil seeds, vegetables, fruits, grass, timber, wood, bamboo, straw, cotton, jute, flex, hemp, sugarcane and other articles that are the produce of land and to sell, purchase and deal in the same as Principals or Agents.

23. To search for, get, work, make merchantable, sell and deal in iron, coal, ironstone, limestone managanese, zinc, aluminium, tin, copper, silver, gold, cobalt, mica, nickel, clay, fireclay and other metals, minerals and substances and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery capable of being used in connection with mining or metallurgical operations or required by workmen and others employed by the Company.

24. To carry on the business of a water works company in all its branches and to sink wells and shafts and to make and maintain reservoirs, water works, cisterns and do all other works necessary for distributing and dealing in water.

25. To carry on the business as distillers, dye makers, gas makers, metallurgists, mechanical engineers, ship-owners, charterers, carriers by land and by sea, wharfingers, warehousemen, barge-owners, planters and weavers.

26. To acquire by concession, grant, purchase, barter, lease, license or otherwise any houses, lands, zamindaris, farms, and to construct, carryout, improve, manage any hats markets, bustees, railways, and other works which may seem directly or indirectly conducive to any of the objects of the company and to contribute, to subsidize or otherwise take part in any such operations.

27. To acquire by lease, grant, assignment, purchase, exchange, concession, barter, licence or otherwise either absolutely or conditionally and either solely or jointly with others any

houses, estates, lands, villages, hills, quarries, easements, water rights, way-leaves, privileges, rights, hereditaments, trademarks, patents, inventions, limestone rocks, lime and kanker, deposits, mines, veins, hoards or other minerals, substances and things having cohesive properties, machinery, plant utensils, railways, tramways, locomotives, factories and any other movable or immovable properties situated either in a Native State or in India, or abroad or else-where, from Governments, private persons, landed proprietors, ruling princes, Rajas, Nawabs, Taluqdars, and individual firms companies or corporations.

28. To carry on the business of purchasing or otherwise acquiring, maintaining, letting on lease or hire or hire purchase basis, or selling in any part of India or abroad, all kinds of machinery, plants, tools, jigs and fixtures, agricultural machinery, ships, trawlers, vessels, barges, automobiles and vehicles of every kind and description, computers, office equipments, hotel equipments, medical equipments, household equipments of every kind, construction machinery of all types and description, airconditioning plants and equipments, cold storage and ice plants, air crafts, electric installations and electronic equipment of all kinds and description, land, building and real estate and to render leasing consultancy and advisory services.

    (Clause 28, previously numbered as 8-A, was added as per Special Resolution passed on 25-9-1991 and confirmed by Order of Company Law Board Bench, Southern Region dated 27-5-1992).

29. To carry on the business of an Electricity producing and distributing company, to manufacture bulbs, wires, cables, dynamos, motors, fans, stoves, batteries, refrigerators, cells and all other electrical goods; to carry on ail sorts of electric installation work, including installation of telephones, radios, etc.

30. To carry on the business in India or elsewhere in the world, of manufacturers, assemblers, processors, fabricators, testers, designers, consultants, programmers, importers, exporters, buyers, sellers, hirers, renters, distributors, agents and dealers of all kinds and descriptions of electronic, electrical, electromechanical, telecommunications, computers, Computer peripherals and storage media products, apparatus materials, components, systems, sub-systems, parts and things (whether for Industrial, business, house-hold, entertainment or otherwise) including control applications, electronic circuits, printed circuit boards, integrated circuits, transformers, conductors, semiconductors, resistors, capacitors, inductors, coils, connectors, display devices, speakers, magnetic materials including ferrites, micro, micro wave components, projects, video games, tapes, discs, fittings, switches, entertainment electronic equipments, televisions, transistors, receivers, accounting and business machines, space research equipments, computer-hardwares, softwares and peripherals thereto.

    (Clause 30, previously numbered as 9-A, was added as per Special Resolution passed on 23-12-1989 and confirmed by Order of Company Law Board Bench, Southern Region dated 19-9-1989 in C.P. No, 103/17/SRB/89.)

31. To carry on the business in India or elsewhere in the world, of designing, developing, importing, procuring, selling, providing, dealing in, exporting, providing consultancy, licencing (whether ready or future delivery) and marketing (whether directly or through third parties) information technology services, desktop system management, application software services, network related services, site services, information kiosk services, value added network services, managed operations, international procurement operations and to establish, maintain conduct customer, software training centre, and programming based education centres and programmes in the field of information technology and related areas.

    (Clause 31, previously numbered as 9-B, was added by the Shareholders in their Annual General Meeting held on 26/08/1999 by way of a Special Resolution)

32. To acquire and deal with the business, property and liabilities of any company, firm or person carrying on any business within the objects of this company.

33. To acquire and deal in shares or stock or securities in or any company or undertaking, the acquisition of which may promote or advance the interests of the Company.

34. To acquire and deal with patents, patent rights or inventions, processes, devices, trademarks, formulae and other rights.

35. To do or perform all or any of the following operations, acts or things:

    (a) To pay all the costs, charges and expenses incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital, including underwriting or other commission broker's fees and charges in connection therewith, and to remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture-stock or securities of this or any other company, or in any other manner whether out of the Company's capital or profits or otherwise) any person or persons for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of shares, debentures, debenture-stock, or other securities of the Company, or for any other reason which the company may think proper.

    (b) To make experiments in connection with any business of the Company and to protect any inventions of the Company by letters-patent or otherwise.

    (c) To sell, let dispose of or grant rights over all or any property of the Company.

    (d) To manufacture plant, machinery, tools, goods and things for any of the purposes of the business of the Company.

    (e) To underwrite shares, stock of securities of any other company and to pay underwriting commission and brokerage on any shares, stock or security issued by the Company.

(f) To draw, accept and negotiate bills of exchange, promissory notes and other negotiable instruments.

(g) To lend money, with or without security, and to invest money of the Company in such manner as the Directors think It.

(h) To borrow money or to receive money on deposit for the purpose of financing its business either without security or secured by debentures, debenture-stock (perpetual or terminable) mortgage or other security charged on the undertaking of all or any of the assets of the Company) including uncalled capital.

(i) To promote companies.

(i-1) To carry on the business of Consultants and/or Advisors to and for the benefit of any person, firm, company, corporation, body-corporate, trust, institution, association, society or any other organization whatsoever relating to Cement Industries and to render consultancy, advisory and other services.

(i-1) To acquire by amalgamation or merger any company or body-corporate, and to amalgamate with any other company or body-corporate.

(Sub Clauses (i-1) and (i-2)of clause 35, previously numbered as clause 13, were added as per Special Resolution passed on 27-10-1979 which was confirmed by Order of Company Law Board Bench, Southern Region, Dated 11-8-1987 after adding the words in italics).

(j) To enter into partnership or into any arrangement for sharing profits, co-operation, joint adventure, reciprocal concessions or otherwise with the Government of India or any native state in India or elsewhere or foreign state or any local Government or any municipal or local authority, partnership, person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.

(k) To sell the undertaking and all or any of the property of the company for cash, or for stock, shares or securities of any other company or for other consideration.

(l) To procure Company's registered or established or authorised to do business as a Joint Stock Company with limited liability in any foreign country or place.

(m) To establish and maintain any agencies in any part of the world for the conduct of the business of the Company, or for the safe of any materials or things for the time being at the disposal of the Company for sale and to advertise and to adopt means of making known, all or any of the manufactures, products or goods of the Company or any articles or good traded or dealt in by the Company, in any way that may be thought advisable including the posting of bills in relation thereto and the issue of circulars, books, pamphlets and price lists, and the conducting of competitions and the giving of prizes, rewards and donations.

(m-1) To act as agents indentors and/or as trustees for any person or company or Government and to undertake and perform subcontracts and to do all or any of the above thing in any part of the world, alone or jointly with others and either by or through agents, subcontractors, trustees or otherwise.

(Sub clause (m-1) of clause 35, previously numbered as clause 13, was added as per Special Resolution passed on 28-6-1963) which was confirmed by Order of Madras High Court dated 28-2-1964 in Company Petition No. 66 of 1963).

(n) To create any Depreciation Fund, Reserve Fund, Sinking Fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purpose conducive to the interests of the Company.

(o) To place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company, and any money received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares or from unclaimed dividends.

(p) To distribute in specie assets of the Company among its members.

(q) To provide for the welfare of persons employed or formerly employed by the Company or any predecessor in business of the Company and the wives, widows and families of such persons by grants of money or other aid or otherwise as the Company shall think it.

(r) To subscribe or otherwise, aid benevolent, charitable, national or other institutions or objects of a public character, and to make donations to such persons and in such cases as may seem expedient.

(s) Generally, to carry on in any place or places in the world any other trade or business, whether manufacturing or otherwise, subsidiary or auxiliary to, or which can be conveniently carried on in connection with any of the company's objects.

36. To enter into any contract or agreement of guarantee.

37. To guarantee or become sureties for the performance of any agreement of contract of any party or parties or for the discharge of any duty or obligation of any party of parties or the payment of money by any party or parties.

38. To enter into contracts of indemnity and to indemnify any partyor become sureties against any debts, obligations or labilities.

Annexure 2

ARTICLES OF ASSOCIATION OF DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

[As substituted and adopted vide Special Resolution of the Shareholders passed on September 21, 2021]

TABLE 'F' EXCLUDED	
Table 'F' not to apply	The regulations contained in Table "F" of the first Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations of the Company.
INTERPRETATIONS	
Interpretation	In the interpretation of these Articles, unless repugnant to the subject or context:
Act	"Act" means The Companies Act, 2013, (18 of 2013) or any statutory modification or re-enactment thereof for the time being in force.
Auditors	"Auditors" means and includes the person appointed as such for the time being of the Company.
Applicable Law	"Applicable Law" means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
Articles	"The Articles" means present Articles of Association or as may from time to time be altered in accordance with the Act.
Beneficial Owner	"Beneficial Owner" means and includes beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.
Board of Directors	"The Board of Directors" or the "the Board" means the collective body of the Directors of the Company.
Capital	"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
Chairperson	"The Chairperson" means the Chairperson of the Board of Directors for the time being of the Company.
Committee	"Committee" means any committee of the Board of Directors of the Company formed as per the requirements of the Act or for any other purpose as the Board may deem fit.
Company	"The Company' or "this Company" means DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED.
Depository	"Depository" means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996).
Director	"Director" means a director appointed to the Board of the Company.
Documents	"Documents" include summons, notice, requisition, other legal process and registers, whether issued, sent or kept in pursuance of Act or any other Applicable Law, maintained on paper or in electric form.
Meeting or General Meeting	"Meeting or General Meeting" means a meeting of Members.
Month	"Month" means an English calendar month.
Office	"Office" means the registered office of the Company for the time being.
Persons	"Persons' includes individuals, any company or association or body of individuals whether incorporated or not.
Registrar	"The Registrar" means the Registrar of Companies of the State in which the registered office is situated.
Seal	"Seal' means the Common Seal of the Company for the time being.
SEBI	"SEBI" means the Securities and Exchange Board of India.

Security		"Security" means shares, debentures and/or such other securities as may be treated as securities under Applicable Law.
Section		"Section" means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act, be deemed to refer to any corresponding provision of the Act as so modified or re-enacted.
Gender		Words imparting the masculine gender also include the feminine gender and vice versa.
Marginal Notes		The Marginal Notes hereto shall not affect the construction hereof unless there be something in the subject or context inconsistent therewith.
Singular Number		Words imparting the singular number include, where the context admits or requires, the plural number and vice versa.
Expressions in the Act to bear the same meaning in Articles		Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning / definition as in the Act or any statutory modifications thereof for the time being in force.
Articles to be Contemporary in nature		The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.
SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL		
Authorised Share Capital	1	The Authorised Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association.
Increase of Capital	2	Subject to Applicable Law, the Board may, from time to time, increase the Capital of the Company by the issue of new shares. Such increase shall be of such aggregate amount and to be divided into such shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act and/or any such compliance as may be required by the Applicable Law for the time being in force.
Capital of two kinds	3	The Capital shall consist of two kinds, namely (i) Equity share capital; and (ii) Preference share capital.
New Capital same as existing Capital	4	Except in so far as otherwise provided in the conditions of issue of shares, any Capital increased by issue of new Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Issue of redeemable preference shares	5	Subject to the provisions of Section 55 of the Act and other Applicable Law, preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Such preference shares shall always rank in priority with respect to payment of dividend or repayment of Capital vis-à-vis equity shares. The Board may decide with respect to the preference shares, *inter-alia*, as to - (i) the participation of preference shareholders in the surplus dividend; (ii) cumulative or non-cumulative; (iii) convertible into equity or not; and (iv) premium on the issue or redemption.

Provisions applicable on the issue of redeemable preference shares	6	On the issue of redeemable preference shares, the following provisions shall be applicable: (i) No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption. (ii) No such shares shall be redeemed unless they are fully paid-up. (iii) Such shares shall be redeemed only on the terms on which they were issued or as varied after due approval under Section 48 of the Act. (iv) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the shares are redeemed. (v) Register of members maintained under Section 88 shall contain the particulars in respect of such preference shareholder(s). (vi) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share Capital of the Company shall, except as provided in Section 55 of the Act, apply as if the said reserve fund is paid up share Capital of the Company.
Provisions applicable to any other Securities	7	The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Subject to the provisions of law, such Securities may be issued at premium or discount and redeemed at premium or discount, as may be determined by the terms of the issuance. Provided that the Company shall not issue any shares or Securities convertible into shares at a discount.
Reduction of Capital	8	The Company may, subject to the provisions of Sections 52, 55, 66 of the Act or any other applicable provisions of law for the time being in force, as may be amended from time to time, by way of special resolution, reduce its share capital, any capital redemption reserve account or securities premium account in any manner for the time being authorised by law.
Sub-division, consolidation and cancellation of shares	9	Subject to the provisions of Section 61 of the Act, the Company in general meeting may from time to time, by an ordinary resolution: (i) Increase its authorised share capital by such amount as it thinks expedient; (ii) Consolidate and divide all or any of its Capital into shares of larger amount than its existing Shares: Provided that no consolidation and division which results in changes in the voting percentage of shareholder shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner; (iii) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of share from which the reduced share is derived; (iv) Cancel any shares which, at the date of the passing of the resolution, in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meeting of the Act; and (v) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination.

Modification of rights	10	Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with the consent in writing by holders of at least three-fourths of the issued shares of the class or is confirmed by a special resolution passed at a separate meeting of the holders of shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis-mutandis, apply to every such meeting, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the shares (including preference shares, if any) of any class, issued with preferred or other rights or privileges, shall be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.
Further issue of Capital	11	Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, it shall be done in compliance with the provisions of the Act or other Applicable Law.
Shares at the disposal of the Directors	12	Subject to the provisions above and of Section 62 of the Act, the shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit, and may issue and allot shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
Power to issue shares outside India	13	Pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as **"Appropriate Authorities"**) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, equity shares and/or any instruments or securities (including Global Depository Receipts) representing equity shares, any such instruments or securities being either with or without detachable warrants attached thereto entitling the warrant holder to equity shares/instruments or securities (including Global Depository Receipts) representing equity shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors(whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with lead manager and/or underwriters and/or legal or other advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

SHARES AND SHARE CERTIFICATES		
Register and index of members	14	The Company shall cause to be kept a register(s) and index(es) of members, debenture holders and other security holders in accordance with Section 88 of the Act. The details of shares, debentures, other securities held in physical or dematerialized forms may be maintained in an electronic mode as may be permitted by the Act.
Inspection of register and index of members	15	The register(s) and index(es) as mentioned above shall be open for inspection by any member, debenture holder other security holder during business hours, not being less than 2 hours on each working day, without payment of any fee and by any other person on payment of ₹50/- or such higher amount as permitted by Applicable Law. Subject to the Applicable Law, any such person may take extracts from any such register without payment of any fee and require a copy of any such register on payment of ₹10/- for each page, or such higher amount as permitted under Applicable Law.
Foreign register	16	The Company may also keep in any country outside India, a part of the register(s) mentioned above, called foreign register, in accordance with Section 88 of the Act containing the names and particulars of the members, debenture- holders, other security holders or Beneficial Owners residing outside India.
Share certificate to be numbered progressively	17	The share certificates shall be numbered progressively according to the several denominations, specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share certificate shall continue to bear the number by which the same was originally distinguished. Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.
Application of premium received on shares	18	Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to a separate account securities premium account which may be applied by the Company in the manner as provided in the Act.
Acceptance of shares	19	Any application signed by or on behalf of any applicant, for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register of members or whose name appears as the Beneficial Owner of the Shares in the records of the Depository shall, for the purpose of these Articles, be a member.
Deposit and call etc. to be a debt payable	20	The money, if any, which the Board of Directors shall, on the allotment of any shares of the Company, require or direct to be paid by way of deposit, call or otherwise, shall immediately on the inscription of the name of the allottee in the register of member as the name of the holder of such shares or as the Beneficial Owner of the shares in the records of the Depository, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.
Liability of members	21	Every member or his heirs, executors or administrators shall be liable to pay to the Company the portion of the Capital represented by his shares which may for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.
Issue of share certificate	22	Subject to the provisions of Applicable Law, every member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such shares and the Company shall complete and deliver such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. The Company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.

Issue of share certificate in case of joint holders	23	Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon, provided that in respect of a share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of the joint holders shall be a sufficient delivery to all such holders.
Split of certificate	24	The Board of Directors may refuse to split a share certificate/debenture certificate in several scrips of small denomination; or may refuse a transfer of shares, debentures comprised in a certificate to several parties involving such splitting where it feels that such a splitting/transfer is unreasonable or is without a genuine need.
Renewal of share certificate	25	No certificate of any share or shares shall be issued either in exchange for certificate(s) which are sub-divided or consolidated or in replacement of those which are defaced, mutilated, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilised unless the certificate in lieu of which it is to be issued is surrendered to the Company. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on reverse for recording transfers have been fully utilised. Provided further that in case any share certificate being lost or destroyed the Company may issue a duplicate certificate in place of the certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine. Provided further that the Company shall comply with the provisions of section 46, and other Applicable Law, in respect of issue of duplicate shares. The provision of this Article shall mutatis mutandis apply to issue of certificate(s) of debentures or any other Securities of the Company.
The first name of joint holders deemed soleholder	26	If any share stands in the names of two or more persons, the person first named in the Register shall, as regard voting, receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except transfer of shares, be deemed the sole holder thereof but the joint holders of shares shall severally as well as jointly be liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof.
Member's liability for change of address/name	27	Every member shall leave in writing at the registered office of the Company or at the office of the Registrar and Transfer Agent, his address in the country and his e-mail id and will also intimate to the Company any change therein from time to time. Such address for all purposes shall be deemed to be his proper address. No shareholder, who shall change his name, shall be entitled to recover any dividend or to vote until notice of such change of name has been given to and registered with the Company.
Buy-back of securities	28	Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68, 69 and 70 of the Act and any rules and regulations as prescribed by SEBI or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.
Underwriting and brokerage	29	Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or debentures or any other Securities, the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of underwriting, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the Company, but so that the commission shall not exceed the overall limit prescribed under the Act or SEBI or Applicable Law. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

CALLS		
Directors may make calls	30	Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, and subject to the terms on which shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board or otherwise as permitted by Applicable Law, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium, held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be payable by instalment. A call may be postponed or revoked as the Board may determine.
Notice of calls	31	Atleast fourteen days' notice in writing of making any call shall be given by the Company specifying the time, mode and place of payment, to the person or persons by whom such call shall be payable.
Calls to date from resolution	32	A call shall be deemed to have been made at the time when the resolution authorising such call is passed as provided herein and may be made payable by the members whose names appear on the register of members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
Directors may extend time	33	The Board of Directors may, from time to time, at its discretion extend the time fixed for the payment of any call to all or any of the members as may deem fit; but no members shall be entitled to such extension as of right except as a matter of grace and favour.
Amount payable at fixed time or by instalments to be treated as calls	34	Any sum which by the terms of issue of any share or otherwise becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
When interest on call or instalment payable	35	If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member. The Board shall be at liberty to waive payment of any such interest wholly or in part.
Evidence in actions by the Company against shareholders	36	On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered is entered on the register of members as the holder or as one of the holders of shares and that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Director who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Partial payment not to preclude forfeiture	37	Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Payment in anticipation of calls may carry interest	38	The Board of Directors may, if it thinks fit, subject to the provisions of section 50 of the Act, agree to and receive from any member willing to advance all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the amount so paid in advance, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced. No member paying any such sum in advance shall be entitled to voting rights or dividend or to participate in the profits of the Company, in respect of the moneys so paid by him until the same would but for such payment become presently payable.
Applicability of provisions to calls on debentures or other securities	39	The provisions of these Articles shall *mutatis mutandis* apply to the calls on debenture or other Securities of the Company.

		LIEN
Company to have lien on shares	40	The Company shall have a first and paramount lien upon all shares or debentures or Securities (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/ debentures/ Securities and no equitable interests in any such share shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares. Provided that the Board of Directors may, at any time, declare any shares/ debentures/ Securities to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/ debentures/ Securities. The fully paid Shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.
Enforcing lien by sale	41	For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred shares shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
Application of proceeds of sale	42	The proceeds of any such sale shall be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
		FORFEITURE OF SHARES
If money payable on share not paid, notice to be given to members	43	If any member fails to pay any call or any instalment of call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for instalment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	44	The notice shall (a) name a further day (nor being earlier than fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be paid; (b) detail the amount which is due and payable on the shares and shall state that in the event of the non-payment at or before the time appointed, the shares will be liable to be forfeited.
In default of payment, shares to be forfeited	45	If the requirements of any such notice as aforesaid shall not be complied with, any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or instalment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
Notice to be given on forfeiture	46	When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited share to be the property of the Company and· may be sold	47	Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of in such manner as the Board of Directors shall think it.

Member still liable to pay money and interest owing at the time of forfeiture	48	A person whose share has been forfeited shall cease to be a member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay and shall forthwith pay to the Company, all calls, instalments, interest and expenses, owing in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment at such rate as the Board of Directors may determine and the Board of Directors may enforce the payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation so to do. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
Provision of these Articles as to forfeiture to apply in case of non payment of any sum	49	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Effect of forfeiture	50	The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	51	The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed-off annul the forfeiture thereof upon such conditions as it thinks fit.
Validity of forfeiture	52	A duly verified declaration in writing that the declarant is a Director, the managing director or the manager or the company secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.
Right of new allottee on forfeited shares	53	(i) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off. (ii) The transferee shall, thereupon, be registered as the holder of the Shares. (iii) The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or individuality in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.
Cancellation of share certificates in respect of forfeited shares	54	Upon any sale, re-allotment or other disposal under provisions of the preceeding Articles, the share certificates originally issued in respect of the related shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect.
		EMPLOYEES STOCK OPTIONS, SWEAT EQUITY SHARES
Employee Stock Option	55	Subject to the provisions of section 62 of the Act and the Applicable Law, the Company may issue stock options to any of the directors, (not being independent directors), officers, employees of the Company, its subsidiaries, parent, associate or group company or such other persons as may be allowed under the Applicable Laws, which would give such persons the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of the schemes of employee benefits. Provided that it will be lawful for such scheme to require the director, employee, officer upon leaving the Company/subsidiary/parent/associate/group company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.
Sweat Equity Shares	56	Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue the equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.
		PREFERENTIAL ALLOTMENT, BONUS SHARES
Preferential allotment	57	Subject to the provisions of Section 62 of the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a special resolution passed in a general meeting, the Company may issue shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in section 42 of the Act.
Bonus shares	58	The Company may issue fully paid-up bonus shares by capitalizing profits/reserves to its members, in any manner whatsoever, out of – (i) its free reserves (ii) the securities premium account; or (iii) the capital redemption reserve account.

TRANSFER AND TRANSMISSION OF SHARES & DEBENTURES		
Securities to be in dematerialized form	59	Subject to Applicable Laws, every security holder who intends to transfer securities shall get such securities dematerialised before the transfer. Requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
Transfer of Securities	60	The Company shall transfer the shares/ debentures/ Securities in accordance with section 29 and 56 of the Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other Applicable Law.
Board may refuse to register transfer or transmission	61	Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any Applicable Law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of or the transmission by operation of law of the right to, any shares or interest of a member in debentures of the Company. The Company shall within one month other such other period as may be prescribed in Applicable Law from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, is delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal and the provisions of Section 58 of the Act or any statutory modification thereof for the time being in force shall apply. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other applicable law, decline to register – (i) the transfer of a share, not being a fully paid share, to a person of whom it does not approve; or (ii) any transfer of shares on which the Company has a lien.
Death of one or more joint holders of shares	62	In case of the death of any one or more persons named in the register of members as the joint-holders of any share, the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Transmission of share	63	Any person becoming entitled to any share in consequence to the death, lunacy, bankruptcy or insolvency of any member or by any lawful means, other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence of title and upon giving such indemnity as the Board of Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors and registered as member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and, until he does so, he shall not be freed from any liability in respect of such shares.
Directors entitled to refuse to register more than four joint holders	64	The Directors shall be entitled to decline to register more than four persons as the holders of any share.

		NOMINATION
Power to nominate	65	Every holder of shares in, or debentures or any Securities of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares or debentures of the Company shall vest in the event of his death. Where the shares in, or debentures or any Securities of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures or Securities to make such nomination and to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares or debentures or Securities of the Company, in the event of his death, during the minority of nominee.
Rights of nominee	66	Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures or any Securities of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures or any Securities of the Company, the nominee shall, on the death of the shareholders or holder of debentures or securityholder of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or debentures or Securities of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
		DEMATERIALISATION OF SECURITIES
Dematerialisation of Securities	67	The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles. The Board of Directors shall be entitled to dematerialise the Securities and to offer Securities in a dematerialised form pursuant to the Depositories Act, 1996, as amended and Applicable Laws. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.
Options for investors	68	Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such Securities or to hold the Securities with a Depository. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by the law, in respect of any Securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required Certificates of Securities. Provided that the option to opt out of a Depository shall be available only in case where the Securities were originally issued in physical form. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
Securities in depositories to be in fungible form	69	All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
Right of depositories and beneficial owners	70	(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner. (ii) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. (iii) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company and shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository.
Service of documents	71	Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the Beneficial Owners shall be provided by such Depository to the Company by means of electronic mode.
Transfer of securities	72	Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in Depository	73	Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall immediately intimate the details of allotment of such Securities to the Depository.
Distinctive numbers of securities held in a depository	74	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
Register and Index of Beneficial Owners	75	The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act. 1996, as amended, shall be deemed to be the register and index of members and Security holders for the purposes of these Articles.
		BONAFIDE EXERCISE OF RIGHTS
Bonafide exercise of rights	76	Every member and other Security holder shall use rights of such member/ Security holder as conferred by Applicable Law or these Articles bonafide, in the best interests of the Company or for protection of any of the proprietary rights of such member/Security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall, with the approval of members, have the right to take appropriate measures including but not limited to expulsion of membership rights including voting rights of members indulging in persistent abuse of powers.
		BORROWING POWERS
Power to Borrow	77	Subject to the provisions of Sections 73 to 76, 179, 180 of the Act or Applicable Law and of these Articles, the Board of Directors may, from time to time, at its discretion by a resolution passed at a meeting of the Board or where a power to delegate the same is available, by a decision/resolution of such delegate, raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. Provided however, where the moneys to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate for the time being of the paid up capital, free reserves and securities premium account, the Board of Directors shall not borrow such money without the requisite sanction of the Company in General Meeting. No debt incurred by the Company in the excess of the limit imposed by these Articles shall be valid or effectual unless the lender proves that advancing of the loan was in good faith and without knowledge that the limit imposed by this Article had been exceeded.
Terms of issue of debentures	78	Subject to the Applicable Law and these Articles, any debenture, debenture-stock or other Securities may be issued on such terms and conditions as the Board may think fit including Securities convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise.
Mortgage of uncalled capital	79	If any uncalled capital of the Company is included in or charged by mortgage or other security, to secure the fulfilment of any contracts or engagement entered into by the Company, the Directors may, subject to the provisions of the Act and the Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
Transfer of debentures	80	The holder of a debenture can transfer his interest therein in the same manner and subject to the same regulation under which the shares can be transferred under these Articles.
		MEETING OF MEMBERS
Annual General Meeting	81	The Company shall in each year hold a General Meeting, in addition to any other meeting as its annual general meeting in accordance with the provisions of the Act and shall specify the meeting as such in the notice calling it. Except in the case where the Registrar has given an extension of time for holding any annual general meeting, not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Every annual general meeting shall be called at any time during business hours on a day that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being or through video conferencing or other audio video means as may be permitted under the Applicable Law.
Persons entitled to attend General Meeting	82	Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends, on any part of the business which concerns him as Auditor.

Extra-ordinary general meeting	83	All General Meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it deems fit, call an extra ordinary general meeting. Provided that an extra ordinary general meeting of the Company shall be held at a place within India or through video conferencing or other audio video means as may be permitted under the Applicable Law. The Board may, whenever it thinks fit, call an extra- ordinary general meeting of the Company. The Board of Directors of the Company shall on the requisition in writing by such member or members of the Company as is specified in Section 100 of the Act proceed to call an extra-ordinary general meeting of the Company. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are called by the Board.
Postal ballot & other contemporaneous methods of seeking consent of members	84	Where permitted or required by Applicable Law, the Board may, instead of calling a meeting of any members/ class of members/ debenture holders, seek their approval/assent by postal ballot including e-voting. Such postal ballot shall comply with the provisions of Applicable Law in this behalf.
E-voting in case of general meetings	85	Where permitted/required by Applicable Law, the Company shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at a General Meeting by electronic means (through remote e-voting as well as voting at General Meeting) and the Company shall follow the procedure laid down under the Act and Applicable Law.
Circulation of members resolution	86	The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
Notice of General Meeting	87	Save as provided in the Act, not less than clear twenty-one clear days' notice shall be given of every General Meeting of the Company. The notice of meeting shall specify the day, date, place, mode and hour of the meeting and shall contain a statement of the special business(es) to be transacted there at and shall be given, either in writing or through electronic mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, Auditor(s) and every Director of the Company. A General Meeting may be called at a shorter notice if consented to in writing or any electronic mode – (i) in the case of annual general meeting, by not less than 95% of the members entitled to vote at such meeting; and (ii) in the case of any other general meeting by members of the Company holding majority in number of members entitled to vote and who represent not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.
Omission to give notice not to invalidate a proceedings of meeting	88	The accidental omission to give any such notice as aforesaid to or the non receipt thereof by any member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.
Business to be transacted	89	Save as otherwise provided in the Act, no business can be discussed or transacted at any General Meeting which has not been mentioned in the notice or notices convening the such meeting.
Quorum	90	Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act. No business shall be transacted at the General Meeting unless the requisite quorum be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. President of India or the Governor of State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 112 of the Act.
Presence of quorum	91	If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting if called by or upon the requisition of members shall stand dissolved and in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.
Resolution passed at adjourned meeting	92	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it is in fact passed and shall not be deemed to have been passed on any earlier date.

Chairperson of General Meeting	93	The Chairperson of the Board of Directors, if any, shall be entitled to preside as Chairperson at every General Meeting of the Company. If there is no such Chairperson, or if at any meeting, he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to take the chair, the Directors present shall elect one of them as Chairperson and if no Directors be present within fifteen minutes after the time appointed for holding the meeting or if the Directors present decline to take the chair, then the members present shall elect one amongst themselves to be a Chairperson. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands shall exercise all the powers of the Chairperson under the said provision. If some other person is elected as a result of the poll, he shall be the Chairperson for the rest of the meeting.
Business confined to election of Chairperson whilst chair vacant	94	No business shall be discussed at any General Meeting except the election of a Chairperson whilst the chair is vacant.
Chairperson may adjourn meeting	95	(i) The Chairperson may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place or in respect of which adequate notice has been given. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (iv) Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
Chairperson's declaration of result of voting	96	A declaration by the Chairperson of the meeting of the passing of a resolution by a show of hands, e-voting or otherwise and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes.
Chairperson's casting vote	97	In the case of an equality of votes, the Chairperson shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.
		VOTE OF MEMBERS
Members paying money in advance not to be entitled to vote in respect Thereof	98	A member paying the whole or a part of the amount remaining unpaid on any share held by him, if no part of that amount has been called up, shall not be entitled to any voting rights in respect of the amount so paid by him until the same would, but for such payment, become presently payable.
Restriction on voting rights	99	No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has exercised any right of lien.
Number of votes to which member entitled	100	Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
Vote of members of unsound mind	101	A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian; any such committee or guardian may on a poll vote by proxy.
Votes in respect of deceased or insolvent members	102	Any person entitled under the Transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that atleast forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Company of his rights to transfer such shares and give such indemnity (if any) as the Company may require unless the Company shall have previously admitted his right to vote at such meeting in respect thereof.

Voting in person or by proxy	103	Subject to provisions of these Articles, vote may be given eìther personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body corporate could exercise if it were an individual member.
Rights of members to use their votes differently	104	On poll taken at a meeting of the Company, a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his vote or cast in the same way all the votes he uses.
Proxies	105	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as a proxy to attend and vote at the meeting on his behalf. Provided that a proxy shall not have any right to speak at such meeting and shall not be entitled to vote except on a poll, except where Applicable Law provides otherwise. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint a proxy. Right of appointment of proxy(ies) to attend and cast vote on behalf of the member(s) shall not be available in case of meeting(s) held through video conferencing/other audio video means.
Proxy either for specified meeting or for a period	106	A member may appoint a proxy either for the purposes of a particular meeting specified in the instrument of proxy and any adjournment thereof or for every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
Deposit of instrument of appointment	107	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power of attorney or authority, shall be deposited at the registered office of the Company forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Validity of votes given by proxy notwithstanding revocation of authority	108	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which such proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting, or adjourned meeting at which the proxy is used.
Chairperson of any meeting to be the judge of validity of any vote	109	The Chairperson of any meeting shall be the sole judge of every vote tendered at such meeting.
		BOARD OF DIRECTORS
Number of Directors	110	The number of Directors of the Company shall not be less than three or more than fifteen. However, the Company may appoint more than 15 Directors after passing a Special Resolution. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.
Board's power to appoint additional directors	111	Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
Nominee Directors	112	The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person including inter alia holding company/joint venture partner, if any, a financial institution, government authority and a venture capital fund, that he or it shall have the right to appoint his or its nominee on the Board, not being an independent director, upon such terms and conditions as the Company may deem fit. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other(s) nominee director in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company.

Appointment of alternate director	113	Subject to the provisions of Section 161 of the Act, the Board may appoint an alternate director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director in place of an independent director. An alternate director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the alternate director.
Directors may fill vacancies	114	Subject to the provisions of Sections 152, 161 and 169 of the Act and Applicable Laws, the Board shall have power at any time and from time to time to appoint a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
Independent directors	115	Subject to the provisions of Section 149 of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director(s) either from the data bank established under Section 150 of the Act or otherwise. The Board on receiving such recommendation shall consider the same and appoint the Independent Director subject to approval at General Meeting.
Casual vacancy of independent director	116	Any casual vacancy of an independent director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and/or Applicable Law or pursuant to any court order or due to disqualification under Section 164 of the Act shall be filled in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
No stock option to independent director	117	An independent director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board, committee and general meeting(s) and such commission based on profits, as maybe approved by the Board/members as per the Act and Applicable Laws.
Liability of independent director(s)	118	An independent director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
Remuneration of Directors	119	Subject to the provisions of Section 197 of the Act and Applicable Laws, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.
Sitting fee	120	The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the independent directors and General Meeting of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.
Out of pocket expenses	121	In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other out of expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company and in connection with the business of the Company.
Vacation of office by Directors	122	The office of a Director shall ipso facto become vacant: (i) on the happening of any of the events as specified in Section 167 of the Act; (ii) if a person is a Director of more than the number of Companies as prescribed in the Act at a time; (iii) in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act; (iv) having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, when he ceases to hold such office or other employment in that company; (v) if he is removed in pursuance of Section 169 of the Act; and (vi) upon any other disqualification that the Act may prescribe.

Removal of Directors	123	The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act, remove any Director before the expiry of period of his office.
Resignation of Directors	124	Subject to the provisions of Applicable Law, except the managing director or a whole-time director or any executive director, who shall be bound by the terms of appointment as such, a Director may resign from his office by giving a notice in writing to the Company and the Board shall take note of the same. A nominee Director shall not give any notice of resignation except through the nominating person. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.
Directors may contract with Company	125	Subject to the Applicable Laws, a Director or any Related Party as defined in the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such approvals as required under the Applicable Law.
Interested Director not to participate or to vote in Board's proceedings	126	Subject to the provisions of Section 184 of the Act, no Director of the Company shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is any way whether directly or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it shall be void.
		RETIREMENT OF DIRECTORS BY ROTATION
Rotation of Directors	127	At least two-thirds of the total number of Directors, excluding the independent directors, whether appointed under this Act or any other law for the time being in force, on the Board of a Company, will be the Directors who are liable to retire by rotation (**"Rotational Directors"**).
Retirement of Directors	128	At every annual general meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office. The Company may appoint a managing or a whole-time director, or any other executive director, as Rotational Director. A retiring Director shall be eligible for the re-election.
Appointment of Directors to be voted on individually	129	Save as permitted by Section 162 of the Act, every resolution at a General Meeting for the appointment of a Director shall be placed, voted individually.
Appointment of non-retiring director	130	The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act.
		MANAGING DIRECTOR - WHOLE TIME DIRECTOR
Board may appoint managing directors(s) or whole time director(s)	131	Subject to the provisions of the Act and these Articles, the Board of Directors shall have power to appoint or reappoint from time to time one or more of its members as managing director(s) (which term includes joint/ deputy managing director) or whole time director(s) of the Company for such term not exceeding five years at a time as it may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
Power and duties of managing and/or whole time director(s)	132	Subject to the superintendence, control and direction of the Board, the day to day management of the Company shall be in the hands of the managing director(s) and/or whole-time director(s), if any, with power to the Board to distribute such day to day management functions among such director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles, the Board may by resolution, vest in any such managing director(s) or whole time director(s), such of the power vested in the Board generally as it thinks fit and such powers may be made exercisable for such period(s) and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the directors in that behalf and may from time to time, revoke, withdraw, alter or vary all or any of such powers.
Prohibition of simultaneous appointment of Managing Director and Manager	133	The Company shall not appoint or employ at the same time the Managing Director and Manager.

PROCEEDINGS OF THE BOARD OF DIRECTORS		
Meeting of Directors	134	The Directors may meet together as a Board from time to time for the conduct and carrying out of business, adjourn or otherwise regulate the meetings, as they think fit.
Participation of directors in Board meeting	135	Subject to the provisions of Section 173(2) of the Act and the Rules made thereunder or other Applicable Laws, the Directors may participate in meetings of the Board through physical presence, video conferencing or other audio-visual means, including net conferencing as the Board may from time to time decide. In case of participation in the Board meeting through video conferencing or other audio-visual means, including net conferencing, the security and confidentiality of the board proceedings shall be the responsibility of the director so participating.
Notice of meeting	136	A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director, at his address registered with the Company and such notice shall be sent by hand delivery or by post or courier or by electronic means. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode and shall provide all the necessary information to enable the Directors to participate through such electronic mode. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting. Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.
When meeting to be convened	137	The Company Secretary or any Director, or such other person as may be authorised, may, at any time, act upon the request of a Director convene a meeting of the Board of Directors by giving a notice in writing to every Director.
Quorum	138	The quorum for a meeting of the Board shall be one third of its total strength or two directors, whichever is higher or such other number as may be prescribed in the Applicable Law.
Procedure when meeting adjourned for want of quorum	139	If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company and for no other purpose.
Chairperson	140	The Board may elect a Chairperson, and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present at the time appointed for holding the same, the Directors present shall elect someone among the Directors present to be the Chairperson of such meeting.
Matters to be decided on majority of votes	141	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of equality of votes, the Chairperson shall have a second or casting vote.
Directors may constitute committee	142	The Board of Directors may, subject to the provisions of the Act and these Articles, from time to time, constitute committees of the Board, and delegate any of the powers to such committee. All acts done including all resolution duly passed by any such committee of the Board in conformity with the Applicable Law and in fulfilment of the purpose of its appointment, but not otherwise, shall be valid, effective and have the like force and effect, as if done by the Board.
Meeting of the committee how to be governed	143	The meeting and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any bye law or regulations made by the Board or provided otherwise in the Applicable Law.
Acts of Board/ committee valid notwithstanding defect in appointment	144	No act done by a person as a director shall be deemed to be invalid, notwithstanding that was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the Act or in these Articles; Provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

POWERS OF THE BOARD		
General powers of Directors	145	The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorised to exercise except such powers/acts/things which the Directors are required under the Act and Applicable Law or by these Articles or otherwise to be exercised or done by the Company in General Meeting. No regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
Restrictions on Board's powers	146	Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on exercising of any powers by the Board.
Specific powers of the Board	147	Without prejudice to the general powers and subject to the restrictions contained in these Articles or the Applicable Laws, the Directors shall also have the following powers that is to say, power- (i) To pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company. (ii) To pay and charge to the capital account of the Company any commission or interest, lawfully payable thereof under the provision of Section 40 of the Act. (iii) To appoint and nominate any person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a shareholders/ debenture holder / Security holder / class of shareholders / secured creditors / unsecured creditors meeting of any company or association. (iv) Subject to Section 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (v) Subject to the provisions of the Act and Applicable Law, to pay for any property, rights or privileges or services, either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other Securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon. (vi) To secure the fulfilment of any contracts or engagement entered into by the Company by the mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such manner as they may think fit. (vii) To accept from any member, so far as may be permissible by Applicable Law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed. (viii) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular through the issue of debenture or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future). (ix) To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company. (x) To appoint any person (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes, and to execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. (xi) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein. (xii) To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same. (xiii) To act as trustees in composition of the Company's debtors and/or to act on behalf of the Company in all matters relating to bankrupts and insolvents.

(xiv) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(xv) Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required (not being shares of this Company), with or without security and in such manner as the Board may think fit, and from time to time to vary the size of such investments. Save as provided in section 187 of the Act, all investments shall be made and held in the Company's own name.

(xvi) To get insured any or all the properties of the Company and any or all the employees and their dependents against any or all risks for which the insurance companies carry any business and to sell, assign, surrender or discontinue any policies of assurances effected.

(xvii) To observe the restrictions imposed in regard to making of any loans, giving any guarantee or providing any security to the bodies corporate.

(xviii) and to acquire, by way of subscription, purchase or otherwise, the shares of any other body corporate to the extent and to accordance with the provisions of Section 186 of the Act.

(xix) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as the Board may think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.

(xx) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(xxi) To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company and to give to a Director or any officer or any other person a commission on the profits of any particular business or transactions; and to charge such bonus or commission as a part of the working expenses of the Company.

(xxii) To provide for the welfare of Directors or ex-Directors or employees or ex- employees of the Company and wives, widows, and families or the dependents or connections of such person, by building or contributing to the building of houses, dwelling, units or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medial and other attendance as the Board shall think fit, and subject to the provisions of the Section 181 of the Act, to subscribe or contribute to otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(xxiii) To recommended any dividend, subject to the provisions of Section 123 of the Act and to set aside, out of the profits of the Company, such sums as they may think proper, for depreciation or to the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalised dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion, think conducive to the interest of the Company.

(xxiv) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants of permanent, temporary or special services as they from time to time think fit, and to determine their powers and duties, and to fix their salaries or emoluments or remuneration, and to require security in such instances and of such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in manner as they think fit.

	(xxv) Subject to Applicable Law as amended from time to time, and at any time, delegate to any persons so appointed either by Power of Attorney under the Seal of the Company or by authority letter or otherwise any of the powers, authorities, and discretions for the time being vested in the Board on such terms, for such period and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation. (xxvi) Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations, contracts and arrangements and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. (xxvii) From time to time to make, vary and repeal bye-laws for regulation of the business of the Company- - To have superintendence, control and direction over managers or managing director or whole-time director and all other officers of the Company; - To delegate any of the powers as aforesaid to any person.
MINUTES	
Making of Minutes	148 The Company shall cause minutes of all proceedings of every General Meeting and every meeting of the Board of Directors and of every committee of the Board to be kept by making, within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with pages consecutively numbered.
Minutes to be evidence of the proceedings	149 Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or a committee of Board have been kept in accordance with the provisions of Section 118 of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings there at to have been duly taken place, and the resolutions passed to have been duly passed and in particular, all appointments of Directors, key managerial personnel, Auditors, or liquidators made at the meeting shall be deemed to be valid.
COMPANY SECRETARY	
Company Secretary	150 The Board shall, from time to time, appoint any individual possessing the qualifications prescribed under the Applicable Law ("Company Secretary") to perform any functions, which by the Act or Applicable Law are to be performed by the Company Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Company Secretary by the Board of Directors. The functions of a Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law.
THE SEAL	
The Seal; its custody and uses	151 The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof. Board shall provide for the safe custody of the Seal for the time being. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
Affixation of Seal	152 The Seal of the Company shall not be affixed on any instrument except by the authority of a resolution of the Board of Directors or a committee of the Board previously given and in the presence of such Directors and the Company Secretary or such other person as the Board may specify/ appoint in that behalf who shall sign every instrument to which the Seal is affixed; Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Act.
DIVIDENDS	
Division of profits	153 The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
Declaration of Dividend by the Company in General Meeting	154 Subject to the provisions of Section 123 and other applicable provisions of the Act, the Company in General Meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 123 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in General Meeting. No dividend shall bear interest against the Company.

Interim dividend	155	Subject to the provisions of Section 123 of the Act and Applicable Law, the Board of Directors may, from time to time, pay to the Members such interim dividends as in the judgement of the Board, the profits of the Company justifies.
Capital paid up in advance at interest not to earn dividend	156	Where the Capital is paid in advance of the calls upon the footing that same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amount paid up	157	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank pari-passu for dividend as from a particular date then such share shall rank pari-passu for dividend accordingly.
Deduction from dividend payable	158	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	159	The Board may retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.
Effect of transfer of shares	160	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend, how remitted	161	The Dividend once declared shall be paid to all the persons who are shareholders as on cut-off date/ record date/book closure. The dividend may be remitted by any electronic mode, or by way of cheque / warrant / demand draft sent through the post to the registered address of the shareholder entitled to the payment of the dividend or in case of joint-holders, to the registered address of that one of the joint-holders which is first named on the register of members. The Company shall not be liable or responsible for any cheque / warrant / demand draft lost in transit or for any dividend lost to the member due to the forged endorsement on any cheque / warrant.
Dividends to be paid within thirty days	162	The Company shall remit the Dividend to the share-holder entitled to the payment of dividend, within thirty days from the date of declaration or such other time period as may be prescribed under the relevant provisions of the Act.
Unpaid/unclaimed dividend	163	The Company shall comply with all the provisions of Sections 124 and 125 of the Act and related rules in the respect of transfer of all unclaimed or unpaid dividend and shares related thereto to the Investor Education and Protection Fund.
		RESERVES
Reserves	164	The Board may, from time to time, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied in terms of the Applicable Law.
Declaration of dividend out of free reserves	165	Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and the Rules made in that behalf.
		CAPITALISATION
Capitalisation	166	The Company in General Meeting may, upon the recommendation of the Board, resolve – (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit & loss account or otherwise available for distribution; and (ii) that such sum be accordingly set free for distribution in the manner specified below amongst the members who would have been entitled thereto, if distributed by way of dividend, and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provisions contained herein, either in or towards- (i) paying up of any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

	(iv) securities premium account and capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
Fractional Certificates	167 Whenever such a resolution as aforesaid shall be passed the Board shall- (i) make all appropriations and applications of the undivided profits resolved to capitalise thereby, and all allotments and issue of fully paid shares if any; and (ii) generally do all acts and things required to give effect thereto; The Board shall have full power - (i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also, (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as full paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members For the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new equity fractional certificate as they think fit.
ACCOUNTS	
Books to be kept	168 The Company shall keep at its registered office or at such other places in India as the Board thinks fit, proper books of accounts and other relevant books and papers and financial statements for every financial year in accordance with Section 128 of the Act.
Inspection of books	169 The books of accounts and other books and papers shall be open to inspection by any Director during business hours. No member (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by Applicable Law or authorised by the Board or the Company in General Meeting.
Notice of place of keeping books	170 Where the Board decides to keep all or any of the books of account at any place in India other than the registered office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
Preserve books	171 The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
Books of branch office	172 Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's books of account are kept as aforesaid.
True and fair view	173 The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
Financial statements to be laid before annual general meeting	174 The Board of Directors shall in accordance with Section 129 of the Act, cause to be prepared and laid before each annual general meeting the financial statements of the Company made up as the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act or such other period as prescribed in Applicable Law.
Form and contents of financial statements	175 Every financial statement of the Company shall be in the form set out in the Act.

Signing and approval of Financial statements	176	Every financial statement of the Company, as aforesaid or the abridged statements thereof, if required, shall be signed on behalf of the Board, by the Chairperson of the Company where he is authorised by the Board or by two Directors, out of which one shall be Managing Director, where there is one, and the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company, where they are appointed. The financial statements and their abridged statements, if required shall be approved by the Board before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
Board's report	177	There shall be attached to the financial statements laid before the Company in General Meeting, a report by its Board of Directors, which shall include the details as specified in sub-section (3) of section 134 of the Act and the Rules made thereunder and Applicable Law. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of this Article are complied with.
Copies to be sent to members and others	178	A copy of every financial statement, the Auditor's report and every document required by law to be annexed or attached to the balance sheet or the abridged statements shall, as provided by Section 136 of the Act, not less than twenty-one days before the date of the annual general meeting, be sent to every such member, debenture trustee and such other person as prescribed in the said section.
Copies of balance sheet etc. to be filed	179	The Company shall comply with Section 137 of the Act as to filing copies of the balance sheet and profit & loss account and documents required to be annexed or attached thereto with the Registrar of Companies.
		AUDIT AND AUDITORS
Auditors to be appointed	180	The statutory auditors, secretarial auditor, cost auditors, internal auditor, as may be required to be appointed in terms of Applicable Law, shall be so appointed.
Audit of Accounts	181	Every financial statement shall be audited by one or more auditors. Atleast once in every year, the accounts of the Company shall be examined and the correctness of the financial statements shall be ascertained by the auditors of the Company. All notices and other communication relating to any General Meeting of the Company, which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. The Auditors Reports shall be read before the Company in general meeting and shall be open to inspection by the members of the Company.
		WINDING UP
Distribution in specie or kind	182	Subject to the provisions of the Act and Applicable Law made thereunder, if the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution of the Company, and any other sanction required by the Act, but subject to the rights attached to any preference share capital, divide amongst the contributories in species or kind, whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not, and may, with the like sanction, vest any part of the assets of the Company in trustees for the benefit of the contributories or any of them, as liquidator shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
		INDEMNITY
Definitions	183	For the purpose of this Clause, the following expressions shall have the meanings respectively assigned below: **'Claims'** means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory. **'Indemnified Person'** shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge of any functions as a Director, officer or employee, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened. **'Losses'** means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim.

<table>
<tr><td>Indemnification</td><td>184 Where the Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

The Company shall further indemnify the Indemnified Person and hold him harmless on an actual basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.

The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:

(i) any liability incurred by the Indemnified Person due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;

(ii) any liability arising due to any benefit wrongly availed by the Indemnified Person;

(iii) any liability on account of any wrongful information or misrepresentation done by the Indemnified Person.

The Indemnified Person shall continue to be indemnified notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.</td></tr>
<tr><td colspan="2" align="center">SECURITY CLAUSE</td></tr>
<tr><td>Security</td><td>185 Every Director, manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required, by the Board before entering upon his duties, sign a non-disclosure agreement / declaration agreeing/ pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company and shall by such agreement/declaration agree/pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by General Meeting or by Applicable Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.</td></tr>
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Dalmia
Bharat Sugar

reinventing

Annual Report 2020-21

Dalmia Bharat Sugar and Industries Limited

> You see things; and you say 'Why?' But I dream things that never were; and I say 'Why not?'

George Bernard Shaw

Contents

Online Annual report
www.dalmiasugar.com

Reinventing

The Indian sugar industry is at the cusp of unprecedented transformation.

The opportunity being provided by a progressive government policy is unprecedented in the sector.

The complement of policies – covering sugar and ethanol manufacture – can potentially transform forward-looking sugar companies.

At Dalmia Bharat Sugar and Industries Limited (DBSIL/ Company), we are addressing this unprecedented reality by reinventing our personality.

We believe that the reinvention of our vision and business model will accelerate growth, broadbase our risk, strengthen sustainability and enhance stakeholder value.

Dalmia Bharat Sugar and Industries Limited.

One of the youngest major sugar companies in India.

One of the fastest growing cane-based multi-product companies in India.

Earned profits and created value for all stakeholders even during worst of the times.

Now reinventing through a widening presence in the non-sugar business.

Pedigree

DBSIL is a part of Dalmia Bharat Group, a ₹2739 Crore turnover Company and among the top sugar producers in India. The Company forayed into the sugar business in 1994 with a capacity of 2500 TCD at Ramgarh, a village in the Sitapur district of Uttar Pradesh. DBSIL is one of the youngest among large sugar companies in the country. The Company enjoys the experience of three decades across various market cycles and a presence in two cane growing non-contiguous States in India. Over the years, the Company has emerged as one of the fastest growing sugar companies in India.

Management

The Company was spearheaded by the Late Shri Jai Hari Dalmia, Vice Chairman and Managing Director and Mr. Gautam Dalmia, Managing Director, aided by a competent senior management.

Listing

The Company was listed on BSE and NSE with a market capitalisation of ₹1509 Crore as on March 31, 2021.

Vision

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

Value

Integrity: Be true to yourself and to others.

Commitment: Always deliver against a promise.

Trust & Respect: Believe in one another and hold each other in high esteem

Humility: Be open to accept and willing to learn.

Products

DBSIL is committed and responsible towards the environment, people and society at large. The Company strives to grow sustainably by producing quality sugar and green energy. The sugar production process involves cane-crushing, which generates molasses (a by-product) and bagasse (waste). The Company uses molasses to produce ethanol, a green fuel, while bagasse is being utilised to generate clean power. Therefore, our product generates a green footprint. The proportion of non-sugar products accounted for 22% of the Company's revenues in FY 2020-21.

Key businesses

Sugar

The Company's sugar production increased to 6.0 Lakh tonnes in FY 2020-21, an increase of 8% compared to 5.58 Lakh tonnes in the previous year. In Sugar Season (SS) 20-21, it reported a normative sugar recovery of 12.01 % in Uttar Pradesh and 13.40% in Maharashtra on account of superior cane variety and robust cane management.

Cogeneration

The Company de-risked its business model from the cyclical nature of the sugar industry by generating power from bagasse. The co-generation plants located at the sugar mills help us reduce greenhouse emissions through the production of renewable energy. We have adequate co-generation plant capacity to cater to our requirements while the surplus is sold to power distribution companies. We use bagasse mixed with spent wash to generate green energy. Nearly 40% of the total power generated was consumed in-house in FY 2020-21 and the remaining was exported to the grid. The power generation decreased by 10% from 55 Crore units in FY 2019-20 to 49 Crore units in FY 2020-21 and revenues earned from surplus power exports stood at ₹141 Crore during the year under review.

Distillery

The Company uses molasses to manufacture ethanol. Increasing government focus on ethanol blending and in-house raw material availability have helped the Company capitalise on this opportunity. The Company possesses adequate capacity to produce different grades of alcohol (ethanol, rectified spirit and extra neutral alcohol), addressing diverse user segments. Distillery revenues increased by 48% from ₹295 Crore in FY 2019-20 to ₹438 Crore in FY 2020-21.

Sanitiser

Responding to the need for deep cleansing and hygiene, DBSIL started manufacturing hand sanitisers under the brand name of Dalmia Sanjeevani at its distilleries in Uttar Pradesh and Kolhapur, while distributing this pro bono to Government hospitals and the police force. The revenues earned from sanitisers stood at ₹25 Crore during the year under review.

Footprint

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. The Company markets products in various states, the major markets being Uttar Pradesh, Maharashtra and the eastern states. It also exports to various locations like Indonesia, Malaysia, Bangladesh, Sri Lanka, Nepal, Bhutan, Middle East, Mediterranean countries and East Africa etc.

The Company is a preferred sugar supplier to brand-enhancing institutional giants such as Coca-Cola, PepsiCo, Mondelez, Perfetti, Britannia, Walmart India, Dabur, D-Mart, India Glycols Allied Blenders & Distillers, United Breweries, Carlsberg, SABMiller and others in the alcohol industry.

Responsibility

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).

Manufacturing capacities

The Company possesses five state-of-the-art sugar manufacturing facilities in two states – Maharashtra and Uttar Pradesh. The Company also have five co-generation plants with a combined capacity of 119 MW across the two states. In addition, the Company has distilleries at Jawaharpur, Nigohi and Kolhapur with a licensed capacity of 305 KLPD.

Production capacity

Plants	Sugar (TCD)	Distillery (KLPD)	Cogeneration (MW)
Ramgarh, Uttar Pradesh	7,500	0	25
Jawaharpur, Uttar Pradesh	7,500	120	33
Nigohi , Uttar Pradesh	9,000	110	29
Kolhapur, Maharashtra	9,000	75	28
Sangli, Maharashtra	3,500	0	4
Total	36,500	305	119

In line with the Ethanol Blending Programme of the Government to increase ethanol blending to 20%, the Company is in the process to increase its distillery capacities substantially. Post planned expansions, Company's distillery capacity will be almost double of its current levels by January 2022.

One of the most efficient sugar producers in India

Among the ten largest Indian sugar manufacturers

Possesses the capacity to produce different grades of alcohol

Our strengths

Possesses adequate capacity to cater to 100% of its power requirement and remain power-positive

100% utilisation of green energy for its manufacturing process

Water-positive for its manufacturing operations

Our industry associations

Bonsucro	Indian Sugar Mills Association	Uttar Pradesh Sugar Mills Association	West Indian Sugar Mills Association	The Sugar Technologists' Association of India	All India Distillers' Association	Co-generation Association of India
CII	FICCI	Indian Chamber of Commerce	UP Sugar Mills Co Gen Association	UP Distillery Association	Indian Bio Gas Association	

Milestones in our growth journey

1994
First sugar plant commissioned in Ramgarh (2,500 TCD capacity)

2000
Ramgarh plant capacity increased to 5,000 TCD

2007
Jawaharpur and Nigohi sugar units commissioned. Commissioned co-generation plants (79MW) at Ramgarh, Nigohi and Jawaharpur. Commissioned 80 KLPD distillery in Jawaharpur

2012
Acquired the Kolhapur unit in September 2012

2015
Commenced commercial production at Ninaidevi in November 2015

2016
Commissioned a distillery in Kolhapur

2019
Increased Jawaharpur distillery capacity to 120KLPD and commissioned the Nigohi distillery (60KLPD). Aggregated the Sangli and Kolhapur unit capacities at 10,700 TCD

2020
Launched a sugar refinery of 1200 TPD at the Nigohi unit

Distillery capacity at Nigohi expanded to 110 KLPD

Awards and recognition

21st National Energy Award

For Excellence in Energy Management by CII (2020).

Best Overall Performance Sugar Mill Award

Awarded to the Nigohi unit.

ICC Social Impact Awards (2019)

Awarded under the theme of 'Access to Clean Energy'.

Accreditations

- CDM mechanism
- REC mechanism
- Bonsucro

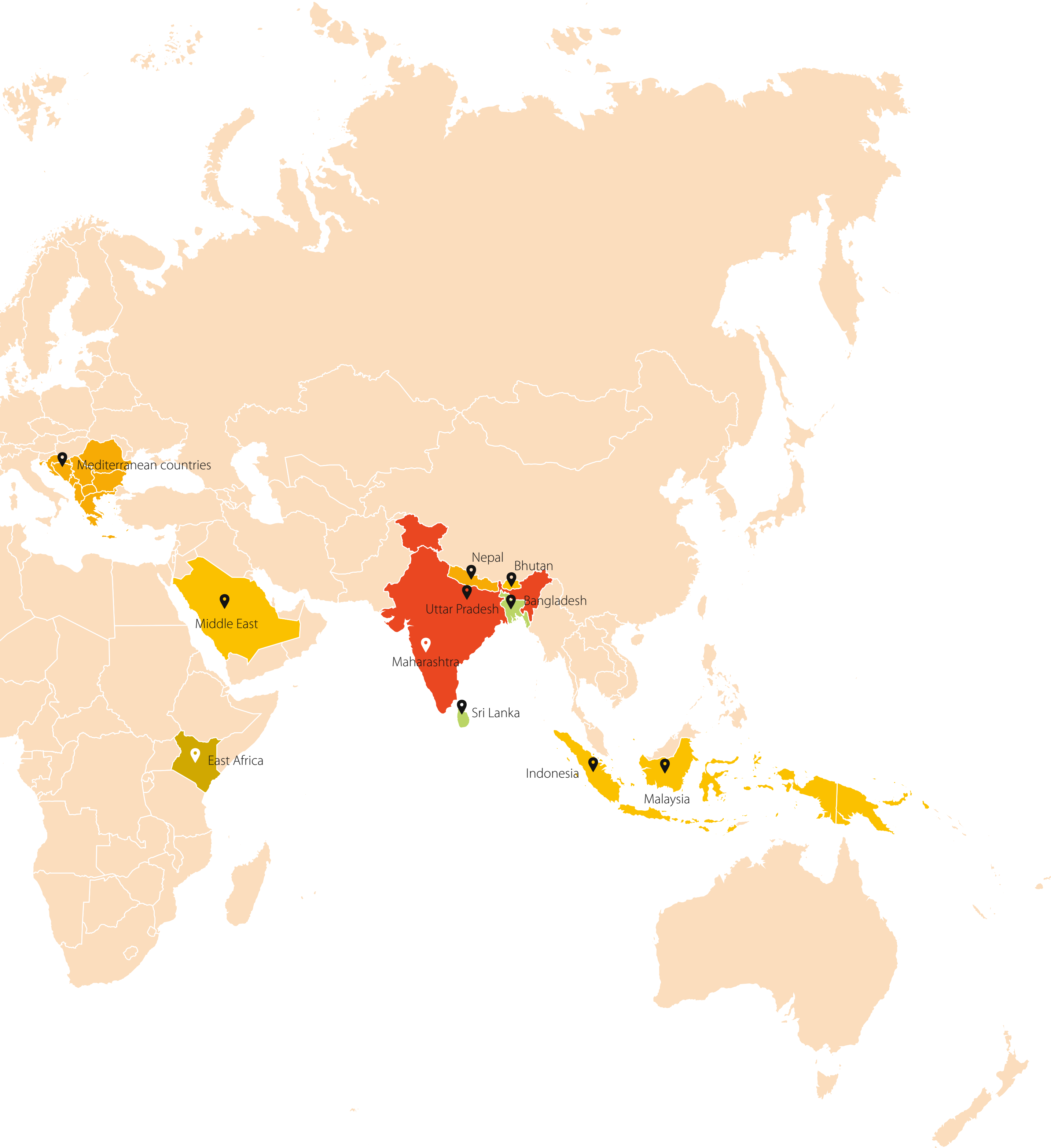
One of the fastest growing sugar companies in India

	1994	2021
Revenues (₹ in Crore)	100	2739
Installed capacity (TCD)	2,500	36,500
Number of sugar plants	1	5
Number of farmers associated with the Company	7,200	150,000
Employees	620	2,469

Indian presence. Global footprint.

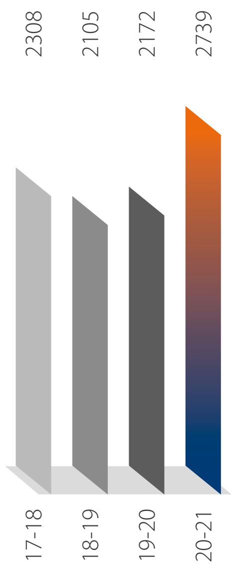
Preferred supplier to prominent brands

BRITANNIA · PERFETTI van Melle · Carlsberg · Walmart · Dabur · DMart


Mediterranean countries
Middle East
East Africa
Nepal
Bhutan
Bangladesh
Uttar Pradesh
Maharashtra
Sri Lanka
Indonesia
Malaysia

DBSIL's sustainable growth over the years

In FY 2020-21, DBSIL reported its highest EBITDA, PBT and PAT



Revenues
(₹ Crore)

Definition

Growth in sales net of taxes

Why is this measured?

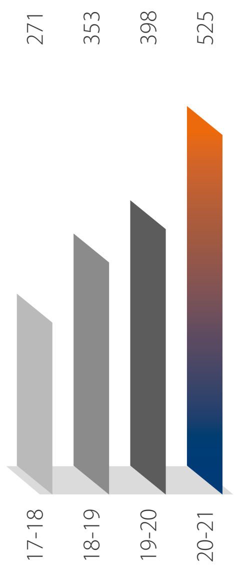
It is an index that showcases the Company's ability to enhance revenues and compare with the retrospective average or sectorial peers.

What does it mean?

Aggregate sales increased by 26% to ₹2739 Crore in FY 2020-21 compared to the previous year.

Value impact

The Company performed better than the sectorial average and reported record revenues.



EBITDA
(₹ Crore)

Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why is this measured?

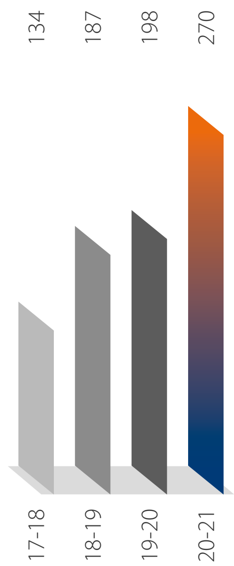
It is an index that showcases the Company's ability to optimise costs despite inflation

What does it mean?

Helps enhance competitiveness, a basis of the Company's ability to build profits in a sustainable manner

Value impact

The Company's record EBDITA was nearly 32% higher than its previous peak.



Net profit
(₹ Crore)

Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

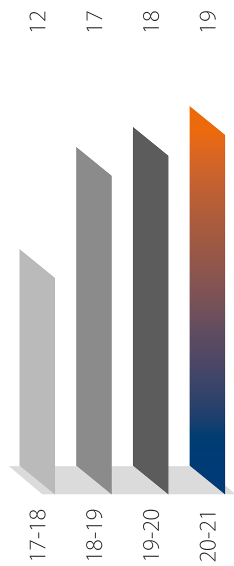
It highlights the strength of the business model in generating value for its shareholders.

What does it mean?

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain

Value impact

The Company reported a 36% increase in net profit in FY 2020-21, reflecting enhanced viability.



EBITDA margin
(%)

Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?

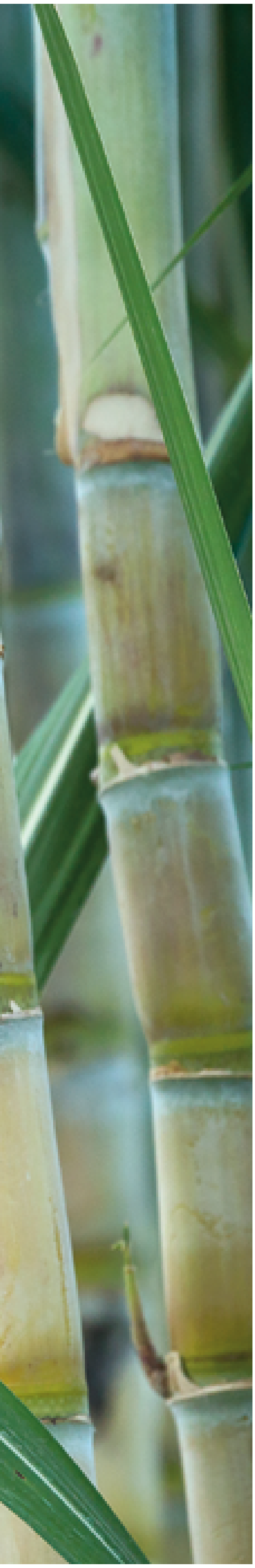
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

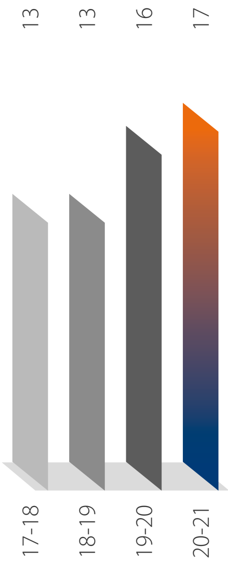
What does it mean?

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a steady EBITDA margin during FY 2020-21 of 19%, higher by 84 bps vis-à-vis the previous year, indicating the robustness of the business model.





RoCE

(%)

Definition

It is a financial measure of a company's profitability and efficiency with which its capital is employed

Why is this measured?

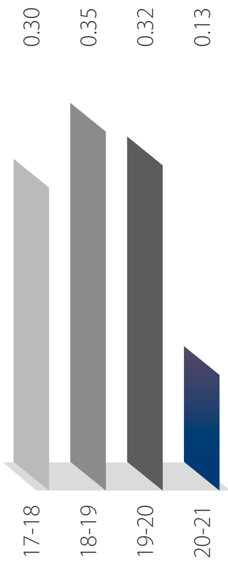
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?

Enhanced RoCE can potentially drive valuations and perception.

Value impact

The Company reported an attractive RoCE % with an increase of 154 bps during the year.



Gearing

(x)

Definition

This is derived through the ratio of debt to net worth

Why is this measured?

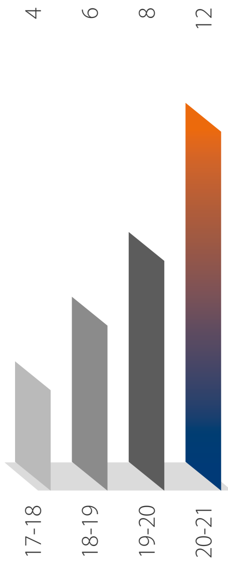
This is one of the defining measures of a Company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better)

What does it mean?

Adds value in the hands of the shareholders by strengthening the equity side.

Value impact

The Company's gearing improved from 0.32 to 0.13.



Interest cover

(x)

Definition

This is derived through the division of EBITDA by interest outflow

Why is this measured?

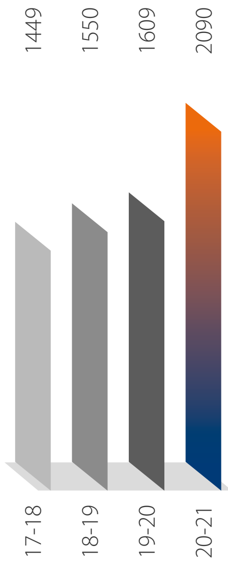
Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in guaranteeing sizable returns to shareholders.

Value impact

The Company's interest cover strengthened from 8x to 12x, backed by an increase in EBITDA and a substantial reduction in interest outflow.



Net worth

(₹ Crore)

Definition

This is derived through the accretion of shareholder-owned funds

Why is this measured?

Net worth indicates the financial soundness of the Company – the higher the better.

What does it mean?

This indicates the borrowing capacity of the Company and influences the gearing (which in turn influences the cost at which the Company can mobilise debt).

Value impact

The Company's net worth strengthened 30% during the year.

Strategic overview

Capability. Responsibility. Sustainability.

How DBSIL's business model has been woven around these three priorities

Capability

At DBSIL, we believe that 'capability' represents the maximisation of all the factors within our control. This comprises the ability to enhance cane availability, moderate costs, widen the portfolio, enhance quality, strengthen the Balance Sheet and protect the interests of all stakeholders. These initiatives make it possible for DBSIL to remain competitive across regions, products and market cycles.

Responsibility

In an increasingly uncertain world, there is a premium on flexibility, patience in the face of adversity and speed in the face of opportunity. More than these, there is a premium on the role of responsibility.

Sustainability

The third factor - sustainability' - is increasingly relevant. Companies must moderate their carbon footprint, consume a lower quantum of finite natural resources and address the needs of all stakeholders.

Overview

The combination – capability, responsibility and sustainability – made it possible for DBSIL to outperform in the past, report a record performance in FY 2020-21 and positioning to result in attractive growth across the foreseeable future.

Big picture

The impact of Capability + Responsibility + Sustainability

Increasingly visible as a business driver at DBSIL

Ability

Increased revenues despite an erratic economic environment and COVID-19

1187
₹ Crore, revenues, FY 2015-16

2739
₹ Crore, revenues, FY 2020-21

58
₹ Crore, Profit after tax, FY 2015-16

270
₹ Crore, Profit after tax, FY 2020-21

172
₹ Crore, cash profit, FY 2015-16

365
₹ Crore, cash profit, FY 2020-21

The Indian sugar industry is attractively positioned

Favourable government support

The government is supporting the sugar sector with active policy, strengthening prospects

Declining sugar surplus

With growing sugar 'sacrifice' in favour of ethanol, the national sugar surplus is declining

Driven by policy

The industry is being driven by the National Biofuels Policy 2018, enhancing sectorial clarity

Stable sugar realisations

The sugar sector is marked by stable realisations

Broadbasing

The industry is broadbasing from sugar to ethanol

Non-sugar prospects

The prospects of the non-sugar business are widening with a clear long-term strategy of the government towards ethanol blending into petrol. There is a wide opportunity emerging to divert sugar towards ethanol with assured offtake at a pre-determined price.

DBSIL is reinventing... to capitalise

The classical sugar cyclical pattern is a thing of past.

Even in challenging circumstances, DBSIL withstood the volatility on account of its inherent strengths.

These strengths were derived from cane development, manufacturing processes and optimum integration leading to cost leadership.

The result: The Company never incurred a loss even at the bottom end of the sectorial cycle.

Broadbasing

The Company is increasing the proportion of non-sugar revenues in its business mix, especially from ethanol. The Company will invest around ₹250 Crore in distillery capacity doubling in one year.

Cane development

The Company is strengthening its cane development to create a wider foundation for sustainable development

Value-addition

The Company commissioned a sulphurless sugar refinery to produce refined sugar of the highest quality. The Company installed a sugar refinery in its Nigohi plant with plans to replicate this across the Jawaharpur plant.

Quality

The Company invested in robust quality systems (including 5S) across units to enhance operating efficiency

Debt-lightness

The Company has considerably reduced its long-term debt, strengthening its competitiveness across market circles.

Integration

The Company is deepening the integration of its capacities to maximise by-products utilisation and value-addition

The DBSIL DNA – 6 Fundamental Behaviours

Committed	Open	Bold

How these attributes have translated into positive outcomes

Committed	Open	Bold
Generating more from less	Growing the business around an optimised Balance Sheet	Investing in renewable and clean energies

Fast

Investing in passion to generate operational efficiency and outperformance

Collaborative

Responding with speed to fleeting sectorial opportunities

Trusted

Building the business around long-term sustainability

The reinventing spirit of DBSIL

Reinventing... during the pandemic

Protecting and facilitating during the pandemic

- DBSIL launched a sanitiser (Dalmia Sanjeevani) in April 2020 and marketed 25 Lakh litres in FY 2020-21, generating an EBITDA of ₹8 Crore.
- Donated ₹1.60 Crore to Centre & State funds and other organisations
- Donated 2 oxygen plants to hospitals in Uttar Pradesh with an outlay of around ₹1 Crore
- Distributed sanitisers worth around ₹50 Lakh to hospitals, farmers and other organisations
- Spread awareness among farmers and villages around plant locations
- Facilitated work-from-home; sustained a strict adherence to COVID-appropriate behaviour
- Established isolation and treatment (for mild cases) facilities at manufacturing locations
- Ensured vaccination for all executives; 31% had been fully vaccinated and 66% had been administered the first dose

Overview

When the lockdown was announced in March 2020, the Indian sugar industry encountered an unusual challenge: it was provided permission by the government to operate (being classified as a part of the food sector), putting a premium on operational safety.

DBSIL shut its offices while continuing to manufacture. The Company employed the use of digital communication technologies to enhance social distancing while continuing to remain engaged. The Company engaged in extensive disinfection and hygienic safeguards. It implemented SOPs that enhanced employee safety. It sanitised the plant every day. It trained farmers and employees in health and safety safeguards. It protected its stakeholders – employees, their families, farmers and vendors – during the challenging lockdown.

The result is that with the Company's people protected, business continuity was sustained. The Company procured primary raw materials (lime, sulphur, etc.) from suppliers in other States, coordinating with various State governments and the Ministry of Home Affairs. Ethanol offtake revived from May 2020 and the Company leveraged the B-Heavy molasses route to maximise production. Besides, the Company maximised exports to reduce its sugar inventory, strengthening business sustainability.

By balancing the needs of individual safety with collective economic responsibility, the Company laid the ground for operational excellence that translated into a record year.

The spirit of DBSIL was endorsed.

The reinventing spirit of DBSIL

Reinventing... through maximised sugar exports

Overview

At the start of FY 2020-21, the Company was faced with the challenge of a large sugar inventory on its books. The Company was expected to crush 50 Lakh MT during the sugar season, which would have generated an inventory so sizable that it would have liquidated this only across 10-12 months.

There were two challenges arising out of this reality: the vast sugar surplus with the country was expected to moderate realisations; the long sales cycle was expected to stress the Company's working capital management, resulting in a higher interest outflow and lower profits.

The Company responded with speed to the reality. Following necessary permission for export, the Company focused on shipping as much of sugar out of the country. The success of this initiatives was reflected in the Company reporting peak exports during the year under review (1.65 Lakh MT, its highest ever). Besides, the average realisation per tonne of exported sugar (coupled with subsidy) was better than the prevailing domestic realisation.

The outcome of this timely liquidation had a catalytic impact on the Company's Balance Sheet. By recovering export proceeds with speed, the Company could draw down its working capital borrowings and save substantial interest costs during the year under review.

The speed with which the Company responded to the export window strengthened the Company's margins and cash flows, strengthening its overall performance during FY 2020-21.

The spirit of DBSIL prevailed.

The reinventing spirit of DBSIL

Reinventing... through strengthening Maharashtra operations

Overview

For years, the Company's Maharashtra operations were largely linked to climatic reasons that affected cane yield and recovery.

The DBSIL team addressed this reality with a passionate commitment to strengthen operating realities. The team worked with farmers to widen the propagation of robust cane varieties. The team supported farmers through the growing season with the timely availability of pesticides and fertilisers. The Company brought into play increased crushing capacity from the previous season.

The combination of passion and perseverance paid off during FY 2020-21. The Maharashtra units reported increased production by almost 20% over the previous year. The Maharashtra units reported an average 9 bps increase in normative recovery over the previous year.

The spirit of DBSIL was validated.

The reinventing spirit of DBSIL

Reinventing... through the game-changing ethanol business

Overview

In the last few years, DBSIL increased the proportion of distillery revenues from 14% in FY 2019-20 to 16% in FY 2020-21.

During the last financial year, the Company resolved to make its largest investment in years; the Company announced around ₹425 Crore in a capital expenditure programme with the objective to enhance distillery capacity from 255 KLPD to 590 KLPD.

The investment is expected to be value-accretive for the following reasons.

One, the investment will add to the Company's existing profitable distillery operations.

Two, the Company enjoys an existing relationship with customers, which will only need to be scaled.

Three, the investment outlay is being funded largely through the mobilisation of concessional debt from the government at effective around 4.5% to 5% (net of interest subventions on distillery projects), ensuring that long-term assets are created at around the lowest cost of funds.

Four, the expansion will ensure that the Company's complete molasses generation is consumed within, enhancing value for this byproduct.

The proposed investment in the distillery is expected to double the proportion of distillery revenues in a full year with a disproportionate increase in contribution to profits and cash flows (when commissioned in early 2022).

This investment is expected to emerge as a game-changer in evolving the Company's erstwhile sugar-driven personality towards that of a rapidly-responsive company.

The spirit of DBSIL will deepen.

The reinventing spirit of DBSIL

Reinventing... by extending the sugar business from B2B to B2C

Overview

Conventionally, the sugar business has been that of a commodity with a moderate premium for the sugar manufactured by prominent quality-respecting companies.

However, something important has transpired in the last couple of decades that has enhanced the need for hygiene across our lives.

There has been a growing preference for food hygiene, marked by a trend towards superior food standards, packaging and branding. Besides, the emergence of the COVID-19 pandemic has – among other developments – enhanced the holistic need for hygiene and safety in personal lives.

As a forward-looking company, DBSIL commissioned a 1200 TPD sugar refinery in the Nigohi unit during FY 2019-20 and plans to install a refinery at the Jawaharpur location in the forthcoming sugar season. The Company launched refined sugar under the Dalmia Utsav brand, packaged in 1kg, 2kg, 5kg packs and 5 gm sachets.

The launch of this business-to-consumer brand will leverage the Group's goodwill and integrity. The product will enhance value from a stick of cane. The launch will provide consumers with access to packaged and branded sugar.

More importantly, the launch of this brand represents the beginning of the Company's shift towards branded food products, a trend that could accelerate across the coming years. We believe that this movement will address the national opportunity to process agricultural products, provide consumers with hygienic food products, broadbase the Company's operations and strengthen any-market profitability.

The spirit of DBSIL will be reinforced.

The reinventing spirit of DBSIL

Reinventing... creating a Balance Sheet foundation for scalable and sustainable growth

Overview

In the sugar industry, one of the biggest challenges lies in the management of cash flows since the principal product is manufactured in a compressed period but needs to be sold across more than a year.

A few years ago, the management at DBSIL focused on a different way of doing business that would result in a progressive draw-down of its debt. The Company focused on exports that would make it possible to liquidate a sizable sugar inventory within a few weeks. Besides, the Company embarked on the decision to scale its distillery business, which would generate a shorter receivables cycle.

The decisive shift in the Company's long-term approach followed the announcement of a landmark National Biofuels Policy. The policy empowered companies like DBSIL to 'sacrifice' the production of sugar and increase the production of ethanol. With this one switch, the Company stood to replace the long-cycle working capital outlay of its sugar business with the short-cycle outlay of its distillery business.

The result of the Company's strategy - exports and distillery – is reflected in its financials for FY 2020-21. The Company generated additional cash flows; it repaid ₹245 Crore of long term debt, the largest quantum repaid in any year in the Company's existence. The result is that the Company had only ₹276 Crore of long-term debt on its books at the close of the year (the lowest in years). Some ₹212 Crore of debt was at concessional rates under interest subvention schemes.

This restructured Balance Sheet strengthened the Company's interest cover from 6x in FY 2018-19 to 12x in FY 2020-21; net debt/EBITDA declined from 1.53 x to 0.53x during this period; the Company's net margin strengthened from 8.9% to 9.8% – a robust platform sustainable growth.

The spirit of DBSIL will become more sustainable.

The Managing Director's overview

If there is a single decisive moment that transformed the Indian sugar industry, it would be the landmark National Biofuels Policy of 2018.

Gautam Dalmia, Managing Director

Overview

I am pleased to present our performance for the year under review.

The Company reported a record performance in FY 2020-21, marked by its highest-ever revenue, profit after tax, EBITDA and exports.

The Company strengthened revenues 26%, complemented by a 32% growth in EBITDA and 36% 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.

This improvement in performance represents a foundation of the multi-year growth of the Company for the coming years.

Sectorial review

When Dalmia Bharat Sugar and Industries Limited 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 to amortise fixed costs and make the business intrinsically profitable, as well as the availability of command areas from where cane could be increasingly accessed.

The one reason why this optimism could only be partially achieved was that the government raised cane prices unrealistically in the interim, 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.

I am pleased to report that most of the downsides have been overcome and the sugar industry now stands at an inflection point that makes it one of the most attractive within India's agricultural sector, promising attractive value for cane growers, millers, customers and community.

Landmark policy

If there is a single decisive moment that transformed the Indian sugar industry, it would be the landmark National Biofuels Policy of 2018.

The policy articulated important changes: sugar companies would be empowered to shift from the manufacture of sugar to ethanol based on market realisations and dynamics; the country would increase the blending proportion of ethanol with automotive fuel.

For the first time in the history of the sugar industry in India, the following realities became evident: sugar manufacturers would be able to moderate the quantum of sugar and reduce the national oversupply whenever this transpired; they would be incentivised to produce as much ethanol as they desired; they would now be able to broadbase their businesses beyond an

When Dalmia Bharat Sugar and Industries Limited 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 country could extend from the core manufacture of sugar to related areas.

The shift from sugar to ethanol will result in a considerably smaller Balance Sheet load for our Company.

excessive dependence on sugar; their 'swing' capacity would make them product-agnostic and market-facing.

What is creditable is that the government did not just articulate this policy and advocate increased ethanol production: the government provided concessional debt with extended repayment tenures (including a moratorium year) for companies to commission ethanol manufacturing capacities; the government permitted companies to utilise surplus grain to manufacture ethanol; the government announced remunerative prices for ethanol produced from the B-Heavy and C-Heavy routes that were decoupled from the prevailing oil price; the government made it imperative for large oil marketing companies to buy consistently higher volumes; the government indicated long-term ethanol procurement volumes based on the projected ethanol blend of 20%.

We believe that this complement of incentives, proposals and projections represents the most decisive influence on the sugar sector in memory.

Cascading influence

The big question that I am often asked is how these proposals can transform a company like ours.

One, the Company is making a decisive around ₹250 Crore investment in increasing its distillery capacity across its Uttar Pradesh and Maharashtra operations, as a result of which whatever surplus molasses that existed within our system will now be converted profitably into ethanol. This value-addition will strengthen our margins.

Two, the investment will correct the imbalance within our product mix: until FY 2020-21, our distillery operations accounted for around 20% of our organisational revenues; following the expansion in the 2021-22 ethanol year, we expect ethanol to contribute around 30% of our overall revenues with a corresponding increase in profitability.

Three, the increase in ethanol output will be accompanied by a conscious sacrifice of sugar output. Considering that the margins in ethanol manufacture will be higher than what we generate from sugar at the prevailing realisations, we believe that the shift will be value-accretive for the Company.

Four, the shift from sugar to ethanol will result in a considerably smaller Balance Sheet load for our Company. When we manufacture sugar, the output needs to be retained for more than a year (unless we export) with a corresponding investment in working capital. On the other hand, when the Company selects to moderate sugar output and increase ethanol production, one of the first improvements will be visible in our working capital management: by the virtue of ethanol sales enjoying a shorter receivables cycle, we will be able to sizably moderate the quantum of working capital on our books, reduce our interest outflow and enhance liquidity. I am optimistic that our Company will be able to present a considerably more profitable Balance Sheet with virtually no long-term debt (apart from the concessional debt provided by the government to commission ethanol capacity) on the one hand and a larger throughput of accruals to grow the business – a sweet spot for our business.

Five, by the virtue of playing an important role in helping clean the urban environment – the infusion of ethanol will help automotive engines combust fuel more completely – the sector will attract global ESG investments that could catalyse the role of fresh capacity creation, accelerating the virtuous cycle.

Six, the cyclicality of India's sugar industry will now be a thing of the past. A sharp increase in the cultivation of cane will now not necessarily translate into increased sugar output (or lower realisation); there is every likelihood that the increase could translate into increased ethanol manufacture and an optimal quantity of sugar being produced by the country, generating a reasonable return for millers without becoming expensive for consumers.

Building a stronger company

Even as the Company's focus is enhanced ethanol capacity, there are a number of initiatives in progress to build a stronger business.

In our sugar business, we commissioned a 1200 TPD refinery in the Nigohi 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.

Conclusion

At DBSIL, I am optimistic about the years that lie ahead.

An increase in our distillery capacity will represent the cornerstone of our evolved personality, translating into increased revenues, margins, surplus and cash flows.

Our distillery business will provide us with the accruals to reinvest in our business. This will ensure that our prospective growth could be largely driven with shareholder funds, enhancing value for all those associated with our Company.

Gautam Dalmia
Managing Director

In our sugar business, we commissioned a 1200TPD refinery in the Nigohi plant to manufacture refined sugar, which is being branded as Dalmia Utsav and marketed by our Company.

Our ESG commitment

Our commitment of Environment-Social-Governance

Overview

There is a growing priority for companies to conduct their businesses around a high environment-social-governance standard. This standard is emerging as a litmus test across which most companies are being appraised. This standard appraises companies for their compliance with a high standard of environment integrity, social investments in the business and a credible governance validation. The business of DBSIL is being conducted in line with a high commitment to ESG standards, validating its role as a progressive corporate citizen.

DBSIL and ESG

At DBSIL, a commitment towards environment-social-governance (ESG) has marked our business. This commitment is important, considering that we manufacture a product that consumes water, natural resources, chemicals, fossil fuels and electricity; any reduction in their consumption holds significant upsides for the earth and communities.

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.

Our social component addresses a proactive investment in talent, relationships (customer and vendors) and social responsibility.

Our governance component indicates how we will do business, indicating strategic clarity, explaining conduct codes, highlighting Board composition and indicating an approach to UNGC principles coupled with extensive de-risking, among others.

This holistic approach – environment, social and governance – makes it possible to extend corporate longevity, build resistance to economic downturns and generate sustainable long-term growth, enhancing value for stakeholders.

Cane foundation

At DBSIL, we believe that cane is a versatile foundation to which to build business sustainability.

The crop is hardy, surviving extremes of heat, flooding and water scarcity. The crop is used to manufacture sugar, ethanol (among other chemicals) and generate power (more than what the mill can usually consume, making it possible to 'export' to the state electricity grid).

The ability of cane to service the downstream requirements of a growing society (through products that can be blended with petrol, moderate vehicular emission and enhance the availability of renewable non-fossil fuel-based energy) makes it socially versatile. Besides, cane makes it possible to manufacture sugar that is used not only as sweetener but also as a critical preservative across a range of products, strengthening its presence in the social fabric.

DBSIL and sustainability

DBSIL is a responsible sugar and derivates manufacturer, committed to a complement of business responsibility, profitability and sustainability.

The Company possessed a power co-generation capacity of 119 MW as on March 31, 2021; around 40% of the generated power was consumed by the sugar business while the rest was exported to the electricity grid.

The Company produced ethanol, which was marketed to oil marketing companies for onward blending with petrol. This helped automotive engines combust the blend better with lower vehicular emissions. The Company consumed captively the generated molasses to manufacture ethanol at its distilleries in Jawaharpur, Nigohi and Kolhapur (aggregate capacity 305 KLPD as on March 31, 2021)

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.

As a member of Bonsucro since 2018 (one of the first in India to be so certified), the Company certifiedits Kolhapur sugar unit certified against this demanding production standard, ensuring that sugarcane is produced in line with the enunciated standards of social and environmental considerations.

Our sustainability platform's 6 P's

At DBSIL, our commitment to environment responsibility has been centred round the interplay of People, Product, Process, Profit, Planet and Partnerships. The 6P's represent our platform for sustainability, our commitment to reconcile economic growth with a moderated carbon footprint.

1 People

- We engage in a culture of meritocracy; we recruit competent talent
- We focus on their increased productivity leading to outperformance
- We are driven by passion, youthfulness, delegation and stretch target-setting
- We aspire to remain a preferred employer in our sector

2 Products

- We are a prominent brand in our sector
- Our products (sugar, power and ethanol) are manufactured around the highest quality and environment standards
- Our products are integrated, widening margins
- The Company is extending into refined and packaged sugar

3 Processes environmental, sustainable and governance

- Our approach is marked a passionate entrepreneurial spirit
- We focus on generating more from less
- Our teams are driven by stretch targets and outperformance
- Our teams are driven by an institutionalised approach across plants and offices

4 Profit

- There is a growing societal relevance and brand of our products
- The Company is engaged in deepening vendor and consumer relationships
- The Company altered its product mix to enhance working capital efficiency
- The Company moderated long-term debt, strengthening liquidity and margins

5 Planet

- Our Company moderated its carbon footprint
- Our operations are driven by 4R's (recycle, reuse, renew and reduce)
- Our investment in cutting-edge technologies enhanced manufacturing efficiency
- Our Company invested in green fuels, plants, resources and processes

6 Partnerships

- Our Company is a member of Bonsucro, a global membership organisation that promotes sustainable sugarcane production, processing and trade around the world.
- We follow seven principles of the Bonsucro Production Standard to achieve sustainable sugar and green energy promotion.

The role of governance

At DBSIL, our governance platform comprises clarity on the manner in which we will grow our business. Our governance architecture has been influenced by various priorities.

Focus: The Company seeks to retain its position as a respected industry player among the leading integrated sugar manufacturers, reflected in the ability to generate the highest return on capital employed. The Company's projects are driven by an internal rate of return of 12 to 20%, prudent capacity expansion and the cost-effective acquisition of stressed assets. Over the years, we invested in a fully integrated business comprising sugar production, distilleries for ethanol production and co-generation of power in cane-rich Maharashtra and Uttar Pradesh.

Board of Directors: At DBSIL, our strategic direction is influenced by our Board of Directors, which comprises individuals of standing. They have enriched our multi-sectorial business understanding and strategic direction. Our Board members possess a rich bandwidth of industrial and commercial experience; they engage with the management to ascertain prevailing ground realities; they act as umpire, guide and consultant; they bring a ferment of perspectives to enrich organisational direction. The Company provides an environment where our Directors can engage, debate and dissent, resulting in decisions that are most compatible with our desired risk appetite and long-term direction.

Committees: At DBSIL, our Board effectiveness is derived through focused committees. The Audit Committee engages with the external auditor, oversees the Company's annual financial statement audit and internal controls over financial reporting, oversees the Company's risk management and compliance programs; the Nomination and Remuneration Committee develops an executive compensation philosophy, adopts and oversees the implementation of compensation policies. The CSR Committee prepares annual action plans and looks into the implementation of CSR projects/programs within the budget approved by the Board. The Stakeholders' Relationship Committee resolves the complaints/disputes of stakeholders, if any.

Controlled growth: At DBSIL, we invested debt and accruals in our business to capitalise on market opportunities, but going ahead, much of our growth will be derived from the prudent use of accruals without stretching the Balance Sheet.

Integrity: At DBSIL, we are driven by a strong compliance with the laws of the land as well as a commitment to be completely fair with all our stakeholders. This sense of integrity is extended from the highest levels of our management to the transaction and operational levels. Besides, we abide by the Whistleblower Policy, equitable employee treatment and provisions that counter Sexual Harassment.

Positioning: At DBSIL, we have positioned ourselves as an environmentally responsible company with mass product applications potential. This positioning has enhanced our strategic clarity, opening us to opportunities, attracting knowledge professionals and strengthening our product / process commitment.

Brand-driven growth: At DBSIL, we believe the biggest asset in our business (brand) is not reflected only in our Balance Sheet. Over the years, we have built our brand through patient investments in technology, environmental responsibility, addressing consumer needs and world-class quality. We are taking this recall ahead through the launch of packaged and branded sugar. The one word that encapsulates all that we do is 'trust'.

Stakeholder value: At the heart of DBSIL's governance ethic is a commitment to enhance value for all stakeholders (employees, customers, shareholders, lenders, suppliers and community). This approach, directed at the overarching eco-system, contributes meaningfully to building long-term value.

Location: At DBSIL, our units are strategically located in the sugarcane-rich states of Maharashtra and Uttar Pradesh, possibly the only sugar company to be present in two non-contignous States.

Technology: The Company invests in technology, enhancing efficiency. The Company invested in the high-yield cane variety CO-0238 and is now identifying additional cane varieties. The Company signed an MoU with ICAR-Sugarcane Breeding Institute, Regional Centre, Karnal. It conducts periodic benchmarking exercises across peers to ensure optimum performance.

Farmer engagement: The Company works with more than 150,000 farmers across five command areas. The Company reinforced farmer relationships through wide range of expertise (soil treatment, seed selection, plant protection and soil fertility) leading to a stronger cane growing culture, reduced cane loss, improved cane sucrose content and enhanced productivity. Besides, the Company is a significant local procurer of cane, strengthening the local economic fabric.

Sustainable agricultural practices: The Company invested in sustainable agricultural practices comprising organic activities, subsidised fertilisers and farmer education. The Company complemented these with soil improvement, inter cropping for nitrogen fixation, green manuring, vermi-composting, drip irrigation and improved cane varieties, consuming low water.

Collaborations: The Company collaborated with ICAR-Sugarcane Breeding Institute, Regional Centre, Karnal and plans to associate with Sugar Technology Association of India for the utilisation of sugarcane and sugar industry wastes for sustainable sugarcane production.

At DBSIL, we invested debt and accruals in our business to capitalise on market opportunities, but going ahead, much of our growth will be derived from the prudent use of accruals without stretching the Balance Sheet.

DBSIL and the role of environment responsibility

Overview

At DBSIL, we focus on manufacturing more from less, the basis of all environmental responsibility. There is a growing commitment to reduce energy intensity, moderate greenhouse gas emission intensity and graduate to cleaner processes and fuels.

The Company emphasises the alignment of business with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

As one of the largest sugar producers of the country, we strive to moderate our impact throughout the supply chain. We are helping reducing India's dependence on the import of crude oil through the production and supply of ethanol. We work closely in the areas of water conservation since our major raw material sugarcane is a water-intensive crop. We are continuously improving operational efficiency across our plants while improving the accounting and subsequent management of our energy consumption, water consumption and waste & emission generation. We comply with all the applicable environmental laws and endeavour to extend beyond regulations.

Reducing energy usage and emissions

At DBSIL, we undertake energy-saving initiatives that reduce energy consumption and moderate emissions. Bagasse, a by-product of sugar production, is utilised in our co-generation plants to produce 'green power'. We 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 invested in best-in class effluent treatment plants to achieve zero liquid discharge status. 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.

Water management

We embarked on initiatives to minimise water consumption. We invested in effluent treatment plants and achieved zero liquid discharge across our plants. We used treated water for green belt development within our plants, supplied to farmers and reused the condensate water in the process, cooling applications and green belt development.

We recognise the importance of watershed and water harvesting practices and saved 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. DBSIL encourages the use of drip irrigation and brought several acres of land under it at Jawaharpur, Nigohi and Ramgarh.

The Company sustained near-zero water consumption in sugar cane processing with improvements to use recycle water. Various schemes like CPU are at an implementation stage to conserve the use of ground water in processing.

Waste minimisation

At DBSIL, 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.

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DBSIL and responsible sourcing

At DBSIL, we believe that a culture of responsible sourcing makes it possible to procure large volumes of superior cane in the shortest time and the lowest cost, the basis of our business sustainability.

Engagements

We engage in periodic interactions where farmers are educated to strengthen their cane growing culture, reduce cane loss, improve sucrose content and improve productivity. We engage through the institution of the Kisaan Gosthi, Kisan Seva Kendras and the Cane Development Assistant (CDA) programme.

Subsidised services

We support farmers through various subsidised services. We provide newly developed seeds in research stations where the cost of seeds, harvesting, loading, transportation is paid by us. The nuclear seed production program is conducted under the supervision of Uttar Pradesh Council of Sugarcane Research (UPCSR) and supported by us. Farmers are provided trench openers at subsidised rates. Bio-composting helps distribute organic manure to farmers at subsidised rates.

Consultancy

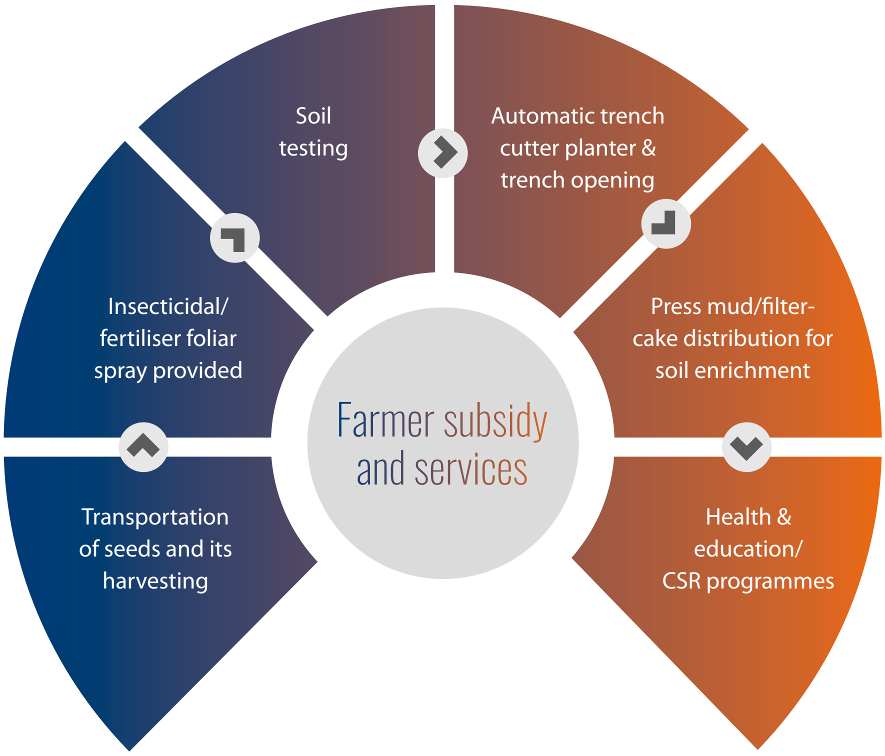
We advise farmers on techniques related to soil improvement, inter-cropping for nitrogen fixation, green manuring and vermi-composting. We advise the use of drip irrigation and drought-resistant cane.

Crop residue management

We advise farmers on how crop residue can be managed, circumventing dry leaf burning while promoting on-farm residue utilisation. DBSIL introduced 'Trash Mulchers' on command areas for the effective management of leaves as mulching of sugarcane fields improves soil fertility and water conservation.

Local procurement

We hire a majority of our employees from the local communities, procure materials and services from local suppliers and the majority of our sugarcane from local farmers.



Our social commitment

At DBSIL, business transformation and related competitiveness are derived from a passionate people ferment, touching a range of stakeholders.

Employees: At DBSIL, we invested in a culture of excellence, marked by resource productivity, continuous cost competitiveness, timely talent investments (recruitment, retention and training) and safety. DBSIL is committed towards promoting a diverse workforce and counters any kind of discrimination based on gender, age, colour, religion, race or nationality. We hire and promote employees strictly on the basis of their suitability, qualification, talent and performance with respect to the assigned role.

The Company conducted regular workshops to strengthen the cultural philosophy among our employees. Training and awareness programs were conducted frequently so that our employees are aware of our policies, Code of Conduct, Whistleblower Mechanism, safety approach, etc. The Company provided good life quality to employees through an open and supportive environment. The Company's ethics helpline empowered employees to file a complaint whenever they came across unethical behaviour. The Company fostered a friendly open-door culture coupled with New Think, a revolutionary thinking technique capable of seeking new answers to conventional solutions, path-breaking roadmaps from traditional inputs and stepping outside the box to explore the frontiers of imagination. The Company invested in automation and digitalisation to enhance workplace productivity. The Company created guidelines for all talents focusing on the value system, the guideline book named Dalmia Way of Life.

The Company sustained Lakshya, an intensive leadership journey covering 15 months and designed for identified executives of the Dalmia Group in partnership with Hay Group, a global management consulting firm and a pioneer in the field of leadership.

The programme's intent is to create an accelerated leadership experience to groom potential talent into impactful leaders.

The Company deepened a 'zero accident' culture across its manufacturing plants through a 'safety first' approach comprising third party safety audits, emergency, mock and fire drills, monthly safety reports for near-misses, first-aid cases, lost time injury and fatal injury.

Customers and vendors: The Company grew its stable eco-system of vendors (provided capital equipment and spares and primary customers (trade partners). The Company derived a large proportion of revenues from primary customers of ten years or more.

Community: The Company's CSR programs were aligned with UN Sustainable Development Goals related to soil and water conservation, access to clean energy, livelihood skill training and social development.

The Company has constituted a committee on Corporate Social Responsibility to oversee CSR activities. The CSR initiatives are reviewed every three months according to the CSR policy.

Employee engagement and empowerment

Overview

At DBSIL, we recognise that human capital is the most critical asset of an organisation. DBSIL's cultural philosophy is a part of the larger Dalmia Bharat Group's philosophy and is well documented and articulated. We conduct regular workshops to strengthen the cultural philosophy among our employees. Training and awareness programs are conducted frequently so that our employees are aware of our policies, Code of Conduct, Whistle Blower Mechanism and safety approach etc.

We practice 'New Think', the revolutionary thinking technique capable of seeking new answers to conventional solutions, path-breaking roadmaps from traditional inputs and stepping outside the box to provoke human imagination. We do not define strict policies; we indicate guidelines that reflect belief in our value system and expect the same integrity from all talents – the 'Dalmia Way of Life'.

Talent attraction and retention

For recruiting employees, DBSIL started using social media platforms, which helped reduce recruiting costs and reach a wider candidate pool. The Company implemented technology initiatives to enhance working ease, increasing employee satisfaction and productivity.

At DBSIL, we manage talent through skill upgradation programmes. Our talent engagement philosophy is not just about engaging people for fun initiatives; our programmes drive them to a higher purpose of physical, emotional and spiritual wellbeing. Our wellness programme (WIN) addresses an employee's mind, body and soul.

We engage with workers through events like National Safety Week Quiz and Ek Cup Chai. We organise 'Stop to Polythene' under the banner of Paryavaran Yodha in which children visit neighbours and collect plastic. On World Heart Day, we organised awareness sessions for employees on good health practices. On Republic Day, a quiz competition was organised in Ramgarh colony.

Employee benefits

At DBSIL, we provide attractive remuneration. We provide retirement benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and ESI. Our short-term employee benefits comprise an attractive salary, wages and non-monetary benefits.

Promoting diversity and inclusion

We believe that improved flexibility in the work methods as well as work timings gives employees the freedom to manage their work and life as well as manage the time allotted to work and career. The flexibility promotes diversity and inclusion. DBSIL is committed towards promoting a diverse workforce and objects to any kind of discrimination based on gender, age, colour, religion, race or nationality. We hire and promote employees strictly on the basis of suitability, qualification, talent and performance with respect to the assigned role.

Training and skill development

The Nalanda team identifies the learning needs of employees and designs learning programs. It launched a program called Lakshya a few years ago that helped identify and train prospective leadership. The HR team identifies training needs for every performance year after the annual performance review on the basis of business and individual requirements.

Safeguarding talents

DBSIL emphasises a 'safety first' approach comprising third party safety audits, safety initiatives, emergency, mock and fire drills, monthly safety report (covering near-miss, first-aid cases, lost-time injury and fatal injuries) with a focus on 'zero accidents'. The Company prioritised safety during the pandemic through the introduction of protocols, social distancing, workplace sanitisation and work-from-home, wherever applicable.

Priority

DBSIL formed a safety committee at the plant and corporate level (equal representation from workers and management) to identify related risks and recommend safety measures. Employees were trained in safety awareness programs and provided protective equipment. The Company invested in training, display signages, firefighting system, awareness, celebration of Safety Week and health checks.

Managing labour relations

DBSIL recognised employee needs to form trade unions to articulate aspirations. The Company comprised trade unions in its Maharashtra facilities in which almost 86% employees were covered. There are no unions in the Uttar Pradesh facilities. At Maharashtra plants, collective bargaining takes place through trade unions; in Uttar Pradesh plants, it is implemented through authorised Sugar Wage Boards.

Human rights

DBSIL ensures no violation of human rights, strict action taken against offenders in case of violations. The Company does not employ child or forced labour; our suppliers and vendors to uphold universal human rights and work in accordance with our Code of Conduct.

How DBSIL enhances its community engagement

Overview

Social development is pivotal to national progress.

The Company is engaged in initiatives addressing skill development, health care, clean energy, education and water scarcity, some of the most pressing national issues.

Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa) programme provides skill development courses; the Company's CSR projects focus on water conservation through water harvesting, drip irrigation and reconstructed village ponds.

Besides, we provide rural clean energy solutions, promoting fuel-efficient cookstoves, liquified petroleum gas connections and solar lighting systems (lanterns, streetlights, study lamps and home lighting systems).

The Company helps build basic infrastructure like school buildings and community halls and improves societal health and well-being.

Our CSR commitment

Trustee
We believe in Mahatma Gandhi's socio-economic policy of trusteeship to provide welfare through solutions that better society

Build partnerships
We engage with government, companies and NGOs to contribute to society.

Solving society's greatest challenges
We work with local communities to resolve significant issues in line Sustainable Development Goals

Alignment of our CSR programs with UN Sustainable Development Goals

Soil and Water Conservation

Livelihood Skills Training

Access to Clean Energy

Social Development

Performance

Soil and water conservation: The Company addressed the need for soil conservation through an integrated approach covering soil and water conservation projects in Maharashtra and Uttar Pradesh (drip irrigation, village pond restoration, vermicompost etc.), creating an additional water harvesting and conservation potential of 12.22 Lakh m3 annually in FY 2020-21. The cumulative water harvesting capacity was 43.12 Lakh m3; 69.25 acres was brought under drip irrigation, resulting in the savings of 2.70 Lakh m3 of water. Around 32 village ponds were constructed/ renovated, which will save 2.56 Lakh m3 of water annually, benefiting more than 2,010 villagers. Around 75 defunct borewell were converted into borewell recharge structures, creating an additional capacity for harvesting 6.96 Lakh m3 of water. Some 2,850 fruit bearing trees were planted on the bunds of village ponds in Uttar Pradesh. We undertook trash mulching to conserve 10 Lakh m3 annually (being validated). Some 567 vermicomposting units and 948 farm yard manure units were set up, benefiting 547 and 944 sugarcane cultivators, respectively.

Access to clean energy: The Company leveraged innovation-based mechanisms to provide rural households adequate clean energy (cooking stoves, solar lighting, LPG gas connections, solar mini grids, solar street lights etc.) These initiatives provided clean cooking and lighting solutions to villagers in Maharashtra and Uttar Pradesh. Solar lanterns, LEDs, streetlights and solar-operated battery sprayers were installed, benefitting 282 families, 246 families and 1358 families, respectively.

Livelihood skill training: The DIKSHa programme provides skill development to unemployed youth. In FY 2020-21, 261 trainees completed their training (210 undergoing training). Some 137 trainees were placed (others in the process). Our trainees earn ₹8,000 to 10,000 a month. The number remained low in FY 2020-21 because of the closure of centers for a few months due to the COVID-19 pandemic. During the year under review, the Company partnered National Bank for Agriculture and Rural Development, National Scheduled Castes

Finance and Development Corporation, National Backward Classes Finance and Development Corporation, BOSCH and Schneider Electric. Dairy Development Project implemented by BAIF Institute for Sustainable Livelihoods and Development reached out to 1,557 households; 2,488 Artificial Inseminations (AI) were performed and 901 calves were born (507 female calves and 394 male calves). In FY 2020-21, more than 100 farmers were addressed through the Sustainable Sugarcane Initiative covering 100 acres, with around 30% increase in their annual income. Some 15 veterinary camps were formed to reach out to 1707 milch animal population. In FY 2020-21, the Company formed 81 Self-Help Groups, enrolling an additional 911 members, increasing the number to 216 Self-Help Groups with a membership of 2,375 women.

Reviving Moonj craft: This initiative addressed the preservation of weaving natural or dyed dried grass to produce lasting products. This craft is taught from generation to generation and practiced by women to create gifting baskets and other products in Uttar Pradesh. During the year under review, more than 100 Moonj artisans were trained through Mon Ami Foundation to enhance capabilities and establishing marketing linkages for enhancement of income.

Nutrition garden: A practical demonstration was conducted in association with Department of National Rural Livelihood Mission where 40 SHG women learned the benefits and procedure of the organic farming.

Health care: The Company built five sanitary blocks in FY 2020-21; 1000 villages were declared Open Defecation Free. 18 individual sanitary latrines were constructed, benefiting 90 villagers.

Education infrastructure development: During the year under review, 40 Anganwadi Centres and 6 schools were provided infrastructural assistance, teaching and learning materials and digital learning facility, ensuring access to Integrated Child Development Scheme (ICDS) which as a result is benefiting more than 4,371 students. More than 19 schools were covered under the Seekho Seekaho Project, benefitting nearly 2,172 school children.

Digital training: The Company partnered HP India to commission internet-equipped buses and labs to impart digital literacy among youth. The HP World on Wheels provided assisted learning on computers and academic subjects to students; 40 students were oriented on digital education.

COVID-19 relief measures: In continuation of the on-going response to the COVID-19 pandemic, the Company supported the local community through interventions. More than 14,000 N95 masks were provided to frontline workers and more than 20+ awareness rallies were conducted, highlighting the importance of hand washing and wearing masks (reaching nearly 3,000 villagers). More than 4,000 families were provided with dry rations and 11,000 bottles of hand sanitisers were distributed to the Police, Health Department staff and other government departments.

Our partnerships

2030 Water Resource Group: The partnership, between 2030 WRG and Dalmia Bharat Foundation in Ramgarh to cover the entire Gondlamou Block, improved water management practices significantly. The field mapping exercise in terms of village-level profiling, random sampling on community needs and their preparedness towards participation for the pilot phase of the project, covering 3 village panchayats comprising of 13 villages, is over and the team is in the process of evolving an action plan. We engaged with an exclusive organisation for watershed-based GIS planning for the Gondlamou block, Sitapur District.

National Backward Classes Finance & Development Corporation (NBCFDC): DBSIL partnered NBCFDC for training youth at the Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa).

India Climate Collaborative (ICC) for Climate Action: DBSIL partnered the first India-focused collaborative that seeks to direct funding and visibility towards climate action in India.

MoU signed with CSRBOX to form India Livelihoods Collective (ILC): This is a collaborative platform for companies, CSR foundations, philanthropic organisations, non-profits, technology service providers and innovators to come together for exploring mutual synergies and leveraging cross-sectoral expertise.

International Business Machines (IBM) Skills Build Country Partner CSRBOX: DBSIL partnered IBM to build industry-relevant skillsets and enhance the employability prospects of 5,282 trainees and 682 through Dalmia's marketing network, stockests and dealers.

MoU with BOSCH: DBSIL signed a Memorandum of Understanding to provide training for the youth under their BRIDGE program through DIKSHa Centers and Dalmia-run ITIs.

Engaging with the world

DBSIL at CII Agro & Food Tech 2020

Mr. Pankaj Rastogi, CEO, Sugar Business, participated in a virtual conference on Sugar Tech 2020 at CII Agro & Food Tech 2020 in October 2020. Organised by CII, the virtual conference created a platform for the benefit of stakeholders involved in the agriculture and allied sectors. Mr. Rastogi spoke in the panel discussion on 'Innovation at industrial Level – Bio-gethanol, sugar quality and energy efficiency.'

DBSIL at DTU Faculty Development programme

Mr Pankaj Rastogi, CEO, sugar business, spoke at the inaugural session of Delhi School of Management, Delhi Technological University's faculty development programme. The theme of the five-day programme was sustainable development: implications for management research and practice. Mr Rastogi highlighted the importance of environmental, social and governance factors while managing business objectives, the sugarcane value chain, sustainability challenges and expectations from management research.

DBSIL Nigohi sugar unit receives top honours

Ms Anandiben Patel, Governor of Uttar Pradesh, felicitated the Company's Nigohi sugar unit for helping the Uttar Pradesh government in the eradication of tuberculosis in Shahjahanpur district. The Governor handed over an appreciation certificate as part of the 'TB Haarega, Desh Jeetaga' campaign to eradicate the disease by 2025.

DBSIL CEO at 2nd edition of FICCI Summit

Mr Pankaj Rastogi, CEO, moderated a panel discussion at the 2nd edition of FICCI Summit on sustainable water use management in agriculture. The event, organised by FICCI, was in partnership with DBSIL. The summit brought together key stakeholders on a common platform.

50th National Safety Day celebration, Jawaharpur unit

The 50th National Safety Day was celebrated at the Jawaharpur unit on March 04, 2021. Activities like mock drills, safety talks and first-aid training were conducted. A drawing competition around the theme 'safety' was organised for children (40).

50th National Safety Day celebration, Nigohi unit

National Safety day/week was celebrated at DBSIL's Nigohi unit, Shahjahanpur, to propagate awareness among workers. The theme for the National Safety Day 2021 was 'Sadak Suraksha (road safety). Various competitions were organised for children from the colony. Employees submitted safety slogans. Workers were provided safety training.

50th National Safety Day Celebrate at DGSIL Kolhapur unit

National Safety Day/Week was celebrated at DBSIL's Kolhapur to propagate awareness among workers. An exhibition showcased PPEs and other equipment related to first-aid and firefighting. Training for employees on the use of fire extinguishers was conducted by VNS Fire Service, Kolhapur. An interaction was arranged between employees with the safety expert Mr Chandrakant Pawar (Industrial safety consultant). A safety slogan and poster competition were organised for employees in which over 100 employees (and their children) participated.

DBSIL (Windfarm) receives top honour at 24th IWPA general meeting

DBSIL (Windfarm) received the Best Performance Award for FY 2019-20 at the 24th Indian Wind Power Association (IWPA) general meeting. Mr Balan, Head of the Company's windfarm operations (South), received the award on behalf of DBSIL. DBSIL (Windfarm) – Muppandal and Karungulam, received the award in Zone 1, 2 MW+ category.

The soul of DBSIL

Employees speak about the Company's pride, passion and practices

"At DBSIL, 95% paper documentation has shifted to the digital; approvals are completely taken on digital platforms with the help of Document Management System."

Pradeep Mittal

Assistant Executive Director, Technical

"DBSIL engaged consultancy firms like Hewitt and Mckinsey to implement HR policies that encourage professional growth. As HR head, I have been able to develop a talent pipeline through a structured leadership programme that provides a preference to in-house talent for appointment to higher positions. This assures our employees that with talent and the right attitude, they can rise in this company, which is why this programme has a ~70% success rate. We are one of the few sugar companies with an organised hiring structure. Our attrition rate of ~6% indicates that we have done right for our employees."

Piyush Thapiyal

Assistant Executive Director, Human Relations

"I am privileged to be working for an organisation that not only thinks of business expansion but is also genuinely focused on achieving it through service and care to stakeholders, society and the environment. What we are most proud of achieving is in how we treated wastewater following the launch of the Effluent Treatment Plant. Result: clean water returns to farmers through a pipeline - for free."

Kuldeep Kumar

Deputy Executive Director, Nigohi Unit Head

"DBSIL turned its wholesale business towards the retail, selling products in platforms like Walmart and Udaan. We marketed specialty sugar packets of 1 kg, 2 kg and 5 kg under the Dalmia Utsav brand. This represents the turning of the ship."

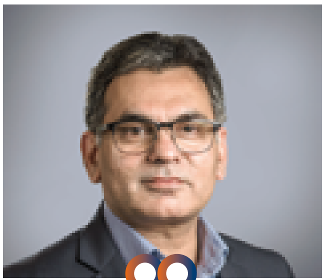
Lalit Kumar Sharma

Vice President, Consumer Business Sales & Business Development

"I believe that the success of an organisation lies in the hands of its people. In 2018, when I became the unit head of Ramgarh I acted on this belief and things improved significantly from then on. Thanks to our team building, our unit - once DBSIL's worst performing unit in UP - became its best performing unit in FY 2019-20. We reduced extraneous matter in cane from ~2.5% to ~1.5%. We moderated our cut-to-crush time from 72-plus hours to 48-72 hours."

Agha Beig

Assistant Executive Director, Ramgarh Unit Head



"In the initial years, we collaborated with NGOs and gram panchayats to carry out community development initiatives, but later Dalmia Bharat Foundation was formed to directly interact with communities. We now have a team of more than 100 professionals (agriculturists, civil and mechanical engineers and social development activists). From zero partnerships and networking in FY 2013-14, we are now associated with >20 partnering bodies."

Vishal Bhardwaj

Deputy Executive Director - CSR

"Earlier our power consumption was ₹30 per tonne of cane cost; this is now ₹26. We reduced steam consumption per tonne of cane cost by 1-1.5%; the use of Variable Frequency Drives moderated power consumption; the Company is water-surplus today."

Naveen Gupta

Deputy Executive Director, Growth Strategy & Innovation

"At DBSIL, the consumer business represented a natural extension of the B2B business as the Company focused on quality, resulting in a consistent presence of large institutional customers. The Company is reinventing its business mix through an extension to packaged sugar as an intermediate step before it transforms into a consumer foods company. Today, the principal thread that holds the business together is sugar but there will come a time when the Company will have reinvented itself and the principal thread holding it together will be its pan-Indian distribution network. We believe that we are the right place and the right time to capitalise on account of a need for greater food affordability on the one hand and need for food hygiene on the other. We are reinventing with speed towards a new DBSIL!"

Deepak Kumar

Chief Executive Officer, Consumer Business

"We supply sugar to prominent industrial clients like Hindustan Unilever, Coca Cola, Pepsico, Britannia and Monginis, among others. We customise our sugar to cater to these clients. We cater to a global audience as well."

Mr. Kapil Nema

Assistant Executive Director, Sugar Sales. Delhi

Statutory Reports

Management Discussion and Analysis

Economic overview

Global

The global economy contracted 3.3% in 2020, largely due to the outbreak of the novel coronavirus and suspension of economic activities across most countries.

Regional growth %	FY 2020-21	FY 2019-20
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's GDP grew 2.3% in 2020 compared to 6.1% vgt in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

(Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. *(Source: IMF)*

Indian

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.39 bn was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.39 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

Growth of the Indian economy, FY 2020-21

	Q1, FY21	Q2, FY21	Q3 FY21	Q4,FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Industry overview

Global sugar sector overview

Almost 80% of global sugar output is generated from sugarcane. Global sugar production for FY 2020-21 was at 182 million tonnes due to higher production in US, India and Brazil as against 153 million tonnes in FY 2019-20 sugar season. Global sugar trade surplus in FY 2020-21 sugar season was 8.1 million tonnes. Global consumption for sugar season for FY 2020-21 stood at 174.1 million tonnes as against 171.58 million tonnes in the sugar season FY 2019-20.

(Source: fas.usda.gov)

Ten largest sugar producing countries

Country	Production (mn mt)
Brazil	42
India	30.8
EU	16.1
China	8.2
USA	7.83
Thailand	7.9
Mexico	5.73
Pakistan	5.57
Russia	5.33
Australia	4.02

(Source: fas.usda.gov)

Ten largest sugar consuming countries

Country	Consumption (mn mt)
India	25.97
EU	15.40
China	14.38
US	10.20
Brazil	9.42
Indonesia	6.91
Russia	5.58
Pakistan	5.33
Mexico	3.90
Egypt	3.10

(Source: fas.usda.gov)

Overview of key sugar manufacturing geographies

Brazil: Sugar production in Brazil got to 42 million tonnes during MY 2020-21 (April-March) as against 30 million tonnes during MY 2019-20 due to favorable weather and increasing returns for sugar manufacture over ethanol. Around 46% of the sugarcane crop was to be diverted for sugar and 54% for ethanol production compared to 34.3% and 65.7% respectively in the previous year.

China: China's sugar production is likely to remain relatively steady and slightly up to 9.74 million tonnes in MY 2020-21 owing to a rise in beet sugar production. China's sugar consumption in MY 2020-21 was at 14.38 million tonnes.

USA: Owing to a larger harvested area and yields for sugar beets and sugar cane, sugar production in USA was at 8.2 million tonnes, growing at a rate of 14% in the MY20-21.

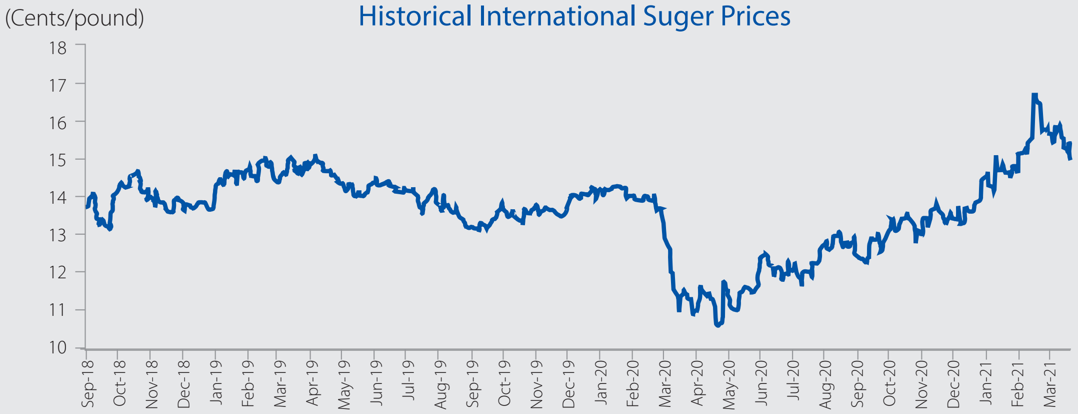
Thailand: Sugar production in Thailand declined by 5% to 7.9 million tonnes in MY 2020-21 as a drought influenced lower area yields and extraction. Owing to a higher demand for direct sugar consumption and food services, sugar consumption in Thailand increased. *(Source: fas.usda.gov)*

Country	MY 2020-21	MY 2019-20
Brazil	42	30
China	9.74	9.65
USA	8.2	9.68
Thailand	7.9	7.69

Global sugar price trend

Owing to major concerns about smaller global supplies continuing to fuel fund buying of sugar futures, global sugar prices reported a rally from a low of 10.4 cents/pound in April 2020 to 15.0 cents/pound in March 2021. According to the International Sugar Organisation (ISO), the ISO white sugar price index stood at US$ 418.50 per tonne as on 31st March 2021 compared to US$ 375 at the beginning of October 2020. (Source: ISO)

Historical International Suger Prices



Source: Bloomberg

Indian sugar sector overview

India's sugar production increased from 26.79 million tonnes in FY19-20 to 30.8 million tonnes in FY20-21, growing at a CAGR of 13% year on year. On similar lines, in SY20-21 (SY = Sugar Year), India produced 30.85 million tonnes against a production of 27.4 million tonnes in SY19-20. According to ISMA, 503 sugar mills crushed sugarcane in SY 2020-21 as against 457 mills in the previous Sugar season; 282 mills stopped crushing as on 31st March 2021 while 221 mills were operating as on 31st March 2021 as against 186 operating on the same date in the previous year.

Sugar production in SY20-21 as on 31st March 2021 was higher by about 4.44 million tonnes as 27.8 million tonnes of sugar was produced as on 31st March 2021 compared to 23.3 million tonnes produced during the corresponding period of the previous sugar year.

By May, unpaid cane dues for 2021-21 stood at ₹18,820 crore, along with pending payments from previous years worth ₹2,501 crore. However, by mid-August 2021, mills purchased a record ₹90,872 crore worth of cane from farmers, against which ₹81,963 crore had been paid, leaving arrears of ₹8,909 crore. The minimum support price was proposed to be increased by a task force constituted by Niti Aayog from ₹31 per kilogram to ₹33 per kilogram to improve profitability for mills and facilitate quicker repayment.

Despite initial hiccups during the lockdown imposed to curb Covid-19, domestic sugar consumption for the SY19-20 stood at 25.3 million tonnes, slightly down from the previous season. The domestic consumption stood at 25.5 million tonnes during SY20-21.

Till March 2021, India had exported around 3.185 million tonnes of sugar against the targeted exports of 6 million tonnes. Current trends indicate that exports may surpass targeted levels.

(Sources: ISMA, Economic times, the hindu.com, m. daily.hunt.in, International reports and Ventura)

Sugar stock balance (in million tonnes)

Year	Opening	Production	Imports	Consumption	Exports	Closing Balance
011-12	5.9	26.3	-	22.6	3.0	6.6
2012-13	6.6	25.1	0.7	22.8	0.3	9.3
2013-14	9.3	24.4	0.1	24.2	2.1	7.5
2014-15	7.5	28.3	-	25.6	1.1	9.1
2015-16	9.1	25.1	-	24.8	1.7	7.8
2016-17	7.8	20.3	0.4	24.6	0.0	3.9
2017-18	3.9	32.5	0.2	25.4	0.5	10.7
2018-19	10.7	33.2	-	25.5	3.8	14.6
2019-20	14.6	27.4	-	25.3	6.0	10.7
2020-21	10.7	30.8	-	25.5	7.0	10.0

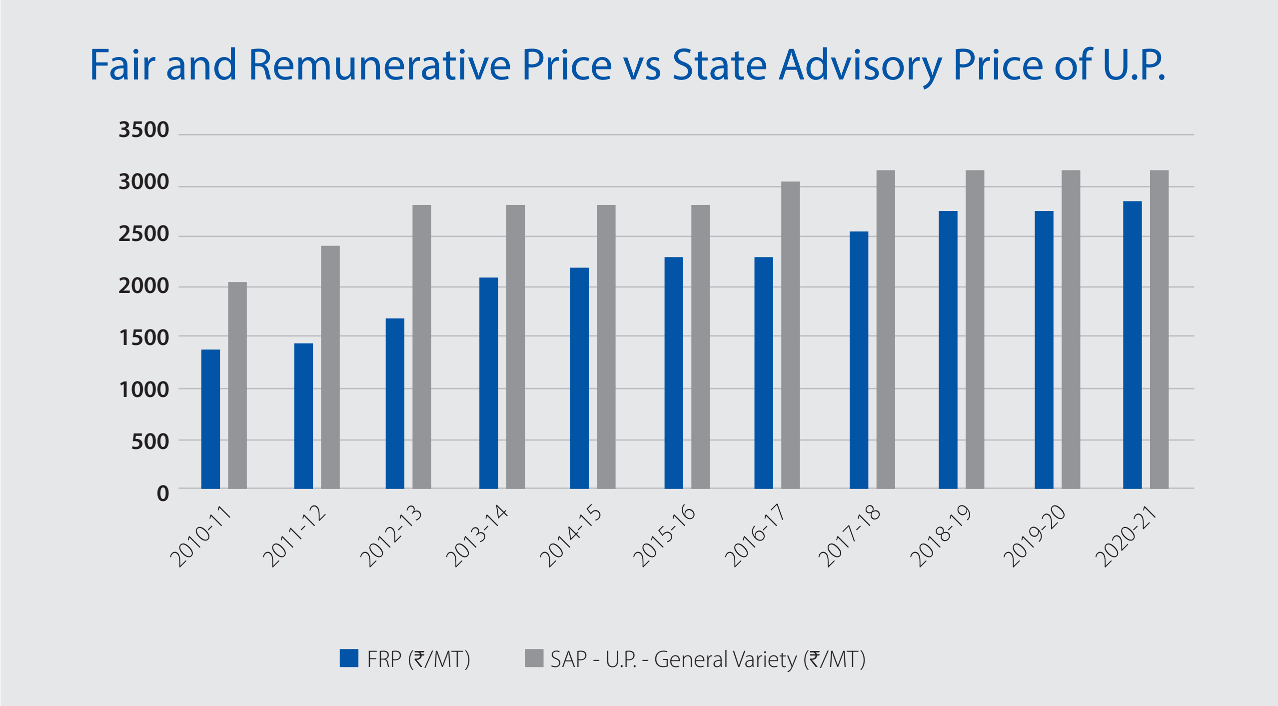
(Source: ISMA)

Indian cane cost trends

The Fair and Remunerative price (FRP) is the minimum price legally guaranteed to be paid to the sugarcane farmers by mills. The FRP was fixed at ₹2850 per tonne with the goal to attain a basic recovery rate of 10%. However, the CCEA also sanctioned to pay a premium of ₹28.5 per tonne for every 0.1% rise above 10% recovery. The government decided to make a provision for a reduction in FRP by ₹28.5 per tonne for every 0.1% points decrease in recovery for mills whose recovery rate was below 10% but above 9.5%. FRP was fixed at ₹2707.50 per tonne for mills with a recovery of 9.5% or below for SY 2019-20.

Over and above the FRP announced by Central Government, some State Governments fixed the State Advised Price (SAP). Though from last three years there was no change in SAP by Uttar Pradesh state, it was still higher than the FRP announced by the Central Government. (Source: Economic Times)

Sugar year (SY)	FRP (₹/MT)	SAP - U.P. – General Variety (₹/MT)
2010-11	1390	2050
2011-12	1450	2400
2012-13	1700	2800
2013-14	2100	2800
2014-15	2200	2800
2015-16	2300	2800
2016-17	2300	3050
2017-18	2550	3150
2018-19	2750	3150
2019-20	2750	3150
2020-21	2850	3150



State-wise analyses

India's sugarcane acreage stood at around 5.228 million Ha in the SY20-21 compared to 4.841 million Ha in SY 2019-20, a growth of 8%. Maharashtra and Karnataka were the major contributors to the increase as these States had suffered adverse weather conditions in the previous season years.

For the SY20-21, cane acreage in Maharashtra state was reported at 1.066 million Ha, up by approximately 30% from previous season with a plant-ratoon ratio of 55/45 (Source: Cane Commissioner Office, MH). Further to a rise in acreage, basis normal monsoon & replenished dams water storage level, a rise in agricultural yield was observed. A likewise trend was observed in Karnataka, wherein the area went up by almost 9%.

As per the Uttar Pradesh Cane Commissioner's official, cane crop acreage in Uttar Pradesh went up by 1.40% Y-O-Y to 2.72 million Ha for SY20-21. Though it was the highest acreage in years, crop health was impacted in parts of eastern & central regions wherein early rains checked tillering of crop and also led to an infestation of the Red Rot disease. Gur Kholus started operating early this year compared to the normal operational period. On the overall, the State to produced around 11.0 million tonnes of sugar, down by 13% Y-o-Y. This drop also includes a loss of sugar due to B-Heavy diversion.

In Uttar Pradesh, 120 sugar mills were involved in crushing sugarcane and produced 9.37 million tonnes of sugar till 31st March 2021. Uttar Pradesh is still the largest producer of sugar, molasses and ethanol in the country for consecutive years. The UP Uttar Pradesh government increased the levy quota for molasses from 17% to 18% for the SY 2020-21. The molasses allocated for the levy quota was sold at ₹120-125 per 100 kg as against the open market price of nearly ₹ 500 per 100 kg.

Sugar production in Maharashtra stood at 10.6 million tonnes in SY20-21 compared to 6.168 million tonnes produced in SY19-20, an increase of 4.432 million tonnes.

In Karnataka, 66 sugar mills produced 4.139 million tonnes of sugar in SY20-21 till 31st March as against 63 sugar mills that produced 3.350 million tonnes in the corresponding period of the previous year.

In Tamil Nadu, 26 sugar mills were engaged in crushing operations in SY20-21 and the total sugar output stood at 0.508 million tonnes as against 0.470 million tonnes produced by 24 sugar mills in the previous year till 31st March.

Gujarat produced 0.915 million tonnes of sugar from 15 sugar mills that are in operations compared to 0.850 million tonnes of sugar in the previous year as on 31st of March. The remaining states of Andhra Pradesh & Telangana, Bihar, Uttarakhand, Punjab, Haryana, Madhya Pradesh & Chhattisgarh, Rajasthan and Odisha collectively produced 2.722 million tonnes of sugar as on 31st March 2021.

Nearly 5 crore farmers and their families generate a livelihood from sugar in India. The business generates an entire eco-system of rural economic activities. The business has an assured future on account of sugar-sweetened products being used for celebrations, successes and festivals.

(Source: ISMA, m.dailyhunt.in, informist media.com)

Sectorial demand drivers

Population growth: India's population increased to 1.38 billion in 2020 from 555.2 million in 1970 and is projected to reach 1.52 billion by 2036, catalyzing sugar consumption.

Confectionary and bakery products consumption growth: Indian revenues from the confectionary segment was US$ 72.3

million in 2021 and the market is projected to grow annually by 6.35% (CAGR 2021-25). The bakery industry in India is moving ahead with a growth rate of 9.0%. Sugar accounts of 20-30% as raw material for these industries. (Source: statista.com)

Robust soft drink consumption: India's per capita soft drink consumption in 2021 stood at around 84 bottles by 2021, almost double compared to the per capita consumption of 44 bottles in 2016, a trend likely to sustain sugar consumption growth. (Source: Business Today, Economic Times)

Government initiatives

In SY20-21, the government allocated ₹3,500 crores to reduce the domestic sugar surplus and help cash-strapped mills clear dues to cane farmers through export and other incentives. In the last marketing year, ₹5,361 crore was provided to millers as export subsidy i.e. ₹10,448 per ton in SY19-20. The government aimed to cover the marketing costs of sugar mills, including handling, upgrading and other operational costs, international and domestic transportation costs. In November 2020, the government announced interest subvention schemes for the enhancement & augmentation of ethanol production capacity extended to molasses and grain-based distilleries and allocated funds for 422 new projects.

SWOT analysis

Strengths

- India is self-reliant for sugar as it is the second largest sugar producing country after Brazil
- Millions are employed directly in the sugar industry including ancillary activities
- Co-generation plants can utilise bagasse from sugarcane crushing
- India is blessed with rich arable land for cane cultivation
- Cane generates a superior income per hectare over competing cash crops
- There is an ethanol capacity increase in line with government policies towards ethanol blending programme targets.

Weaknesses

- Many sugar factories have been operational for more than 40 years, but still using legacy technologies
- Plantation white sugar is produced by mills, which is priced at a significant discount to white refined sugar, which generally gets traded in the global market.
- Sugar cane crop has a high reliance on reservoirs and ground water availability, which are directly dependent on monsoon rains.

Opportunities

- Consistently growing domestic energy demand with expanding economy, growing population and urbanization.
- Diversification into profitable ethanol production
- Investment in state-of-the-art technologies for by-product utilization
- The government is keen on increasing blending to 20% which shall provide a perfect balance to the industry between sugar and ethanol.
- Sugar export opportunities and freight advantages for countries like Sri Lanka, Bangladesh, Indonesia and Iran.

Threats

- Sluggishness in demand owing to the pandemic
- Exposure to variables like rainfall, soil, temperature, transportation expenses and competing crop yields
- Sugar-based products face negative publicity on account of obesity

Indian ethanol sector overview

India hold the fifth position in the world in terms of ethanol production capacities and ethanol prices in the country varies in the range of $ 0.63 to $0.87 per litre, which is comparatively better than in US & Brazil ($0.61 per litre). The prices of ethanol produced in India are higher in comparison to global players, since the FRP of sugarcane is fixed by the government to support the farming community.

As of now, 85% of oil requirements in India is fulfilled through imports. During FY20-21, Indian net import expense on petroleum was $55 billion and with an ethanol blending target of 20% by 2025, India is expected to save at least $4 Billion per annum. This will also ensure earnings predictability of the Indian sugar Industry and stability in sugar prices, which will ensure timely payments to sugarcane farmers.

The average ethanol blending rate in India stood at ~5% in FY 2020-21 as against 4.5% in FY 2019-20. In the first four months of the EY21 (Ethanol Year = EY), ethanol blending reached a record of more than 7.2%, putting the country on course to achieve 10% ethanol blending rate by 2022. For the FY21, OMC requirements were 3.465 billion litres of ethanol – out of which contracts had been finalized for 2.996 billion litres till 31st March, 2021, against which 1.009 billion litres already lifted by OMCs. As per industrial sources, by May 2021 end, 1.46 billion litres will get lifted by OMCs and EBP target of 7.6 % will get achieved by May 2021.

Sugar mills in Uttar Pradesh diverted 0.73 million tonnes of sugar through B-heavy molasses and sugarcane juice for ethanol production in SY 2020-21 as against 0.44 million tonnes in SY19-20. Uttar Pradesh, with an annual ethanol production capacity of 1.4 billion liters, emerged as India's largest ethanol producer. In Maharashtra, mills diverted 0.75 million tonnes of sugar for ethanol production in SY20-21 as against 0.080 million tonnes in SY19-20. Mills in Karnataka diverted 0.58 million tonnes compared to 0.040 million tonnes in the previous year.

Ethanol production capacity in India was 4.26 billion liters from molasses-based distilleries and 2.58 billion liters from grain-based distilleries, rising 250% in around seven years. With interest subventions schemes to the commissioning and upgradation of standalone and grain-based plants, further ethanol production capacity is expected to be added. Besides, India will need about 10 billion litres of ethanol for doping in petrol by 2030 to cut a dependence on imports for meeting oil needs. India has 330 distilleries, which can generate over 4.8 billion litres of rectified spirits (alcohol) each year. Nearly 166 distilleries possess a production capacity to distil 2.6 billion litres of ethanol (denatured and undenatured) harnessed in fuel, industrial chemicals and beverages.

The government plans to double ethanol production and enhance blending of ethanol with petrol to reduce oil imports, increasing ethanol production capacity from 4.26 billion litres to 6.60 billion litres from sugarcane and 5.4 billion litres from grains by 2025 to meet the demand of 12 billion litres. The price of ethanol from sugarcane juice was pegged at ₹62.65 per litre while ethanol extracted from C-grade molasses was pegged at ₹45.69 a litre and that from B-grade molasses at ₹57.61 a litre.

Fuel ethanol in India is the fastest growing ethanol program in the world. The relative success of the programme encouraged the government to announce 20% ethanol blending target by 2025. To achieve this target, the government approved a scheme allocating ₹8,460 crores to increase ethanol distillation capacity. The government will bear interest subvention for five years, including a one-year moratorium against the loan availed by project proponents from banks at 6% per annum or 50% of the rate of interest charged by banks, whichever is lower. Interest subvention would be available to only those distilleries that supply at least 75% of ethanol produced from the added distillation capacity to oil marketing companies (OMCs) for blending with petrol. Investment valued ₹40,120 Crores in the ethanol value chain will be generate due to the increased interest subvention scheme which will encourage farmers to produce with more energy due to high income realization, subscribing to the comprehensive vision of Atmanirbhar Bharat. The government approved 422 ethanol projects which could add annual production capacity by 16.75 billion liters and is anticipated to attract investments worth ₹41,000 crore.

(Source: ISMA, Economic Times, Business Standard, The Hindu, Mint, International sugar journal.com)

Indian co-generation sector overview

Bagasse cogeneration stood at 10,000 MW in FY 2020-21 owing to the establishment of new sugar mills and modernization of existing one. Moreover, with consideration of cane trash, binding material and high pressure and high-temperature power generation cycles, the total is 15,000+ MW. The availability of biomass in the country is projected at around 500 million metric tonnes per annum. India has an additional biomass availability of around 120-150 million metric tonnes each year. Moreover, about 7000 MW extra power could be produced through bagasse-based cogeneration in 550 sugar mills if these sugar mills were to adopt economically optimum levels of cogeneration for extracting power from the bagasse produced by them.

The fuel most preferred for captive generation is coal, which accounts for 56% of the fuel mix in the country. Since the electricity is primarily generated using residual bagasse, which is a by-product of sugar, additional expenses are not mandated to be incurred by sugar mills within their factory premises. This resulted in the smoothening of the discovery of better margins for sugar companies in the co-generation segment and modified electricity costs. The average spot power price declined from ₹2.92 per unit as of 31 December 2019 to ₹2.83 per unit as of 31 December 2020, a decline of around 3%.

The Ministry of New and Renewable Energy launched a scheme to assist biomass-based cogeneration in sugar mills and other industries. Under this scheme, 70 biomass cogeneration projects were under implementation with a surplus capacity standing at 800 MW. Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Uttar Pradesh were the leading states in the implementation of bagasse cogeneration projects.

(Source: MNRE, Businessworld, Ijert, Crespai)

DBSIL's sugar business

Overview

This business segment contributed to the majority of revenues at 78% in FY 2020-21. The scale was on account of the Company's brand, visibility and sustainability. The industry was marked by a decline in sugar output and consumption. Against this background, DBSIL witnessed a profitable year with reduced operational downtime and increased recovery.

Strengths

- The Company emerged among the larger sugar manufacturers in India and one of the fastest growing over the last decade.
- The Company retained its position as the only Uttar Pradesh manufacturer (private sector) with operations in Maharashtra.
- The Company focused on operating efficiency, reflected in consistently higher sugar recovery
- To ensure better quality and efficiency, the Company worked with a 95% early varietal mix.

Challenges: Consistent pressure on sugar stock levels for the economy as a whole though fairly managed by the government's proactive policies related to export incentivisation and the ethanol blending programme.

Highlights, FY 2020-21

- Sugar sales at 6.18 LMT including the highest ever export of 1.65 LMT.
- The Company enhanced the early varietal cane in its cane mix during the year under review to more than 95% from 80% (five years ago)
- Highest cane crush in Maharashtra at 14.83 LMT.
- The Kolhapur plant stood at number one in Maharashtra in terms of sugar recovery (normative) and Ninaidevi at number two in the state.
- Ramgarh unit recorded the highest normative sugar recovery in the Company's history at 12.25%
- The Company enhanced normative sugar recovery to 12.42% from 11% (in 14-15) across all five plants. This improved due to a robust cane development programme by thecompany and soil improvement activities to improve yield and recovery.

Outlook FY 2021-22

The outlook for the next year appears stable on the back of an increase in the diversion of sugar towards ethanol. This will not only result in lower pressure on stock levels but also better realizations and profitability.

Particulars	FY 2020-21	FY 2019-20	Increase/ (decrease)
Sales volumes (Lakh tonnes)	6.18	4.85	1.33
Normative sugar recovery for the season (in %)	12.42	12.38	0.04
Contribution to revenues (%)	78	78	-
Contribution to EBITDA margin (%)	40	40	-

DBSIL's distillery business

Overview

In line with the ethanol blending programme of the government, wherein the target was to reach a 20% blending target in about five years, DBSIL has an operating capacity of around 8 Crore litres of distillery production and expanding it to 15 Crore litres in the next year. This will add stability through assured offtake at defined prices and reduce dependence on the relatively less stable sugar segment.

Strengths

- The Company possessed the capacity to produce different grades of alcohol (ethanol, rectified spirit and extra-neutral alcohol).
- The Company equipped all plants with modern technologies to increase operating efficiencies and ensure zero liquid discharge.
- The availability of quality molasses helped improve ethanol recovery
- The distilleries were run nearly at full capacity utilisation.

Challenges: Though there are not many challenges to this sector as it is regulated, global COVID disruptions affected the offtake to some extent due to reduced fuel consumption in a lockdown scenario.

Highlights, FY 2020-21

- Highest distillery production at 8.43 Crore litres.
- Highest distillery sales at 8.60 Crore litres.
- Enhanced the proportion of revenues contributed by the ethanol segment to 16% in FY 2020-21.

Outlook, FY 2021-22

- Headed towards diverting around 1.5 LMT sugar.
- Increase distillation capacities to produce more B-Heavy ethanol and producing it directly from juice.
- Attractive realisations from juice ethanol and B-heavy ethanol.
- Distillery turned into a full-fledged segment instead of being a by-product processing unit.

Particulars	FY 2020-21	FY 2019-20	Increase/ (decrease) in (₹)
Sales volumes (Kilolitres)	85350	63607	21743
Contribution to revenues (%)	16	14	2
Contribution to EBITDA margin (%)	34	29	5

DBSIL's cogeneration business

Overview

The Company entered the business of power cogeneration in 2007-08 following the commissioning of a 79 MW capacity attached to its Jawaharpur, Nigohi and Ramgarh plants to efficiently utilize bagasse (byproduct of sugar).

DBSIL's cogeneration capacity stands at 119 megawatts, spanning five units. Of this capacity, nearly 29% of the total power generated was consumed captively in FY 2020-21 and the rest exported to the state electricity grid. Revenues were secured through long-term power purchase agreements with the State Government (with periodic escalation clauses).

Strengths

- The Company possesses adequate capacity to cater to 100% of its power requirement, insources its entire power requirement from its co-generation plant.
- The Kolhapur co-generation plant is equipped with cutting-edge high-pressure boilers, enhancing power generation per metric tonne of cane.

Challenges: Reduced power tariffs in UP are still not good enough to operate during the off season, as a result of which excess bagasse is required to be sold outside UP. A threat to Maharashtra's power tariff is a key challenge for the co-generation segment.

Highlights, FY 2020-21

The co-generation segment performed well during the last year despite the Company's plan to not operate in Uttar Pradesh during the off-season due to the low power tariff.

Outlook, FY 2021-22

The outlook for the next year appears largely unchanged except for a clarity on the Maharashtra power tariff.

Particulars	FY 2020-21	FY 2019-20	Increase/ (decrease) in (₹)
Revenue from power exports (₹ crore)	141	156	(15)
Contribution to revenues (%)	5	7	(2)
Contribution to EBITDA margin (%)	24	29	(5)

Financial overview

Key performance metrics

Parameters	FY 2020-21	FY 2019-20
Total revenue (₹ crore)	2,739	2,172
EBITDA (₹ crore)	525	398
PBT (₹ crore)	367	252
PAT (₹ crore)	270	198
Earnings per share (₹)	33.3	24.46

Analysis of the Profit & Loss statement

Revenues

Total revenues of the Company stood at ₹2739 crore as against ₹2,172 crore in the preceding year on account of higher sugar sales volume due to higher exports at very lucrative prices (after adding export subsidies) and higher distillery sales volume due to expanded capacity and higher sugar diversion into ethanol.

Expenses

Total expenses of the Company increased from ₹1,920 crore in FY 2019-20 to ₹2372 crore in FY 2020-21 mainly on account of higher liquidation of inventory, higher depreciation due to a change in the method and comparatively higher fixed costs.

Employees' expenses, comprising 5.25 % of the total revenues, increased 7.5% from ₹134 crore in FY 2019-20 to ₹144 crore in FY 2020-21 due to higher season days and annual increment impact.

Analysis of the Balance Sheet

Sources of funds

Net worth: The net worth of the Company increased 30% from ₹1,609 crore as on 31st March 2020 to ₹2090 crore as on 31st March 2021. The Company's equity share capital, comprising 8.09 crore equity shares of ₹2 each, remained unchanged during the year under review.

Long-term debt: Long-term debt of the Company decreased 47% from ₹521 crores as on 31st March 2020 to 276 crores as at 31st March 2021 due to aggressive repayments. Long-term debt-equity ratio of the Company stood at 0.13 in FY 2020-21 compared to 0.32 in FY 2019-20.

Finance cost: Finance costs of the Company decreased 30% from ₹88 crores in FY 2019-20 to ₹62 crores in FY 2019-20. The Company's interest cover stood at a comfortable 11.64 times in FY 2020-21 (7.6 times in FY 2019-20), reflecting a comfort in servicing interest.

Application of funds

Fixed assets (gross) of the Company increased from ₹2,238 crores as on 31st March 2020 to ₹2288 crore as on 31st March 2021 mainly due to the expansion of Nigohi distillery, Nigohi ion exchange refinery and specialty sugar packing unit. Depreciation on assets increased 67% from ₹57.23 crore in 2019 - 20 to ₹95.55 crore in FY 2020-21 due to a change in the depreciation method from SLV to WDV for sugar and distillery segments.

Investments

Non-current investments of the Company increased from ₹252.55 crore as on 31st March 2020 to ₹462.09 crore as on 31st March 2021 mainly due to an increase in the marked-to-market gain on long-term equity investments.

Working capital management

Current assets of the Company decreased from ₹1,868 crores as on 31st March 2020 to ₹1,828 crore as on 31st March 2021. Current Ratio stood at 1.56 in FY 2020-21 compared to 1.50 in FY 2019-20.

Inventories, including raw materials, work-in-progress and finished goods, among others, increased from ₹1,329 crores as on 31st March 2020 to ₹1375 crore as on 31st March 2021, a rise of 3.44 %.

Cash and bank balances of the Company increased from ₹67.03 crore as on 31st March 2020 to ₹79.49 crore as on 31st March 2021.

Margins

A strong cost control helped the Company in reporting better margins during the year under review. The EBITDA margin of the Company improved from 18% in FY 2019-20 to 19% in FY 2020-21 while net profit margin improved as well.

Key financial ratios

Ratio	FY 2020-21	FY 2019-20	Remarks
PAT to turnover ratio %	10%	9%	There was no significant change in this ratio
EBIDTA to turnover ratio %	19%	18%	There was no significant change in this ratio
Interest Service Coverage ratio (Times)	12	8	ISCR improved significantly due to a significant reduction in interest costs and increase in profits.
Debt Equity ratio (Times)	0.13	0.32	It improved significantly due to a reduction in a long-term loan on account of aggressive debt prepayment by the Company.
Current ratio (Times)	1.56	1.39	There was no significant change in this ratio
ROCE %	17%	16%	There was no significant change in this ratio

Disclosure of accounting treatment

DBSIL has followed accounting standards in the preparation of its financial statements and there has been no deviation.

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.

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.

Human resource and industrial relations

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

DBSIL undertakes various employee engagement activities such as workshops, events, festival celebrations, outbounds, etc. to boost Company's cultural philosophy. The Company takes utmost care to keep the employees engaged and upgrade 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 Dalmia Group level, identifies learning 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.

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, for implementing a 'safety first' approach. Third party safety audits are conducted periodically, post which recommendations are implemented.

DBSIL's human relations and compliance department work 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 Code of Conduct. DBSIL is committed towards promoting 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 in a better way 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 Uttar Pradesh facilities. Interactions between senior management and trade unions /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 self and enable them to manage challenges better. Earlier, Dalmia's employee wellbeing programme focused 100% on physical health, perhaps just 1-2% on other wellbeing programmes where as now over 30% cater to emotional health.

The Company's customer-centricity helped the Company retain more than 73 employees over 25 years.

74
Employees in 1994

2469
Employees in 2021

Risks and concerns

At DBSIL, we follow the mechanism of risk identification, risk mapping, assessment and control of risks, review and alignment and ultimately mitigation of the identified risks. Such a structured mechanism allows for a better vision of risks and the controls and enables us to better evaluate and be prepared for the situation. The identified risks and the corresponding mitigation methodologies are as follows:

Risk	Mitigation / Plan
Political & economical risks *Sugar price reduction *Cane price increase *Power tariff reduction	These risks by their nature are uncontrollable; the Government has taken several positive reforms like a fixation of MSP, monthly sales quota and aggressive blending of ethanol. These steps have been a game changer for the industry and enabled the industry to move away from a pure cyclical commodity industry to stable revenue streams.
Operational risks *Cane availability *Sugar recovery% *Breakdown of machinery	*These have been mitigated to a great extent through an ideal varietal composition, cane development activities, reduction in process losses and real-time benchmarking with peers. *All risk insurance policy and adequate insurance spares inventory has mitigated this risk.

Risk	Mitigation / Plan
Our main cane variety, which has more than 90% of the total cane, is susceptible to Red Rot infectiont.	▪ Shifting to other best varieties under Project Parivartan. ▪ Imparting knowledge to farmers to convince them to switch. ▪ More impetus on varietal development and other cane development activities.
Water conservation: Sugar cane is a water-intensive crop with a large dependence on ground water.	▪ Ground water recharge through ponds and recharge wells. ▪ Prime impetus to water conservation through drip irrigation. ▪ Treating the waste water and supplying for irrigation
Soil health: Soil management to improve/ maintain soil fertility.	▪ Soil health cards for optimum fertilizer uses. ▪ Promoting intercropping and organic fertilizers. ▪ Imparting knowledge to farmers.
Financial risks *Interest rate hike and loan availability *Bad and doubtful debts * Foreign currency exposure	Strong fundamentals, coupled with high credit rating backed by strong brand equity, minimizes risk. Payment terms of non-institutional buyers based on cash and carry has helped reduce this risk to a large extent. Policy to hedge 100% exposure has moderated this risk.
Legal risks *Non-compliance with pollution and taxation norms is a risk.	The Company has maintained a robust tracker of all compliances, monitored through monthly reviews, which minimizes the risk of noncompliance or delayed compliance.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward– looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

Directors' Report

Dear members

Your Directors have pleasure in presenting their 69th report on the operations and business performance of your Company along with the Audited Financial Statements for the financial year 2020-21.

Financial Highlights

(₹ in Crore)

Particulars	FY (2020-21)	FY (2019-20)
Net Sales Turnover	2685.78	2110.79
EBIDTA	524.85	397.56
Less:- Interest & Financial Charges	61.86	88.38
PBDT	462.99	309.18
Less:- Depreciation	95.55	57.23
PBT	367.44	251.95
Less:- Tax		
Current Tax	101.25	47.83
Deferred Tax	(3.31)	6.11
PAT	269.50	198.01
Add:- Surplus brought forward	1,467.65	1,304.77
Balance available for appropriation	**1,737.15**	**1,502.78**
Appropriations		
Dividend	-	29.14
Dividend Distribution Tax	-	5.99
Balance carried Forward	**1,737.15**	**1,467.65**

Operational and Business Performance

Your Company has been successfully sustainable in profit making and enhancing stakeholders' value. Your Company could withstand volatility because of its inherent strengths developed in course of time with tremendous focus on cane development activities, manufacturing processes and optimum integration.

Your Company has had full season of operations even during COVID-19 pandemic, as sugar being essential commodity got permission to continue manufacturing during the lockdown. Your Company continued the production across all its plants of sugar, power and distillery while ensuring the health and well-being of workers and employees by implementing social distancing, hygiene practices, deep cleansing and work-from-home in accordance with Government guidelines.

Your Company's diversification to the other largest belt, i.e., Maharashtra, developed inbuilt hedging in operations and created value for all the stakeholders.

Your Company is underway to almost double its distillery capacity (by way of increasing existing capacity and also by setting up new distillery at Ramgarh Unit) and increase its sugar capacity at Jawaharpur and Nigohi Units. These are expected to get commissioned in ensuing sugar season, though challenges being faced at various fronts due to COVID-19.

Achievements during the year:

- Launched Sanitizer under the brand name "Dalmia Sanjeevani" in April 2020 and sold around 25 Lakh Litres during the year.
- Launched branded sugar under the brand "**Dalmia Utsav**" successfully in March 2021 and has been well received by the market.
- Completed Nigohi Distillery expansion from 60 KLPD to 110 KLPD and is operational at expanded capacity. Ethanol from syrup is expected to be produced from starting of next season.
- Installed sugar refinery at Nigohi Unit.
- Increased sugar diversion to ethanol from 40 KMT during Sugar Season 2019-20 to 60 KMT during Sugar Season 2020-21.

Despite the global crisis of COVID-19, your Company has achieved many financial and operational milestones. It was a historic year for your Company as it achieved highest ever EBIDTA (Earning before Interest, Depreciation, Tax and Amortization), Profit Before Tax and Profit After Tax.

Financial milestones:

- Turnover - ₹2739 Crore ↑ 27%
- EBIDTA - ₹525 Crore ↑ 32%
- PBT - ₹367 Crore ↑ 46%
- PAT - ₹270 Crore ↑ 36%

Operational milestones:

- Sugar sales at 6.18 LMT including highest ever export at 1.65 LMT.
- Distillery production at 8.43 Crore Litres.
- Distillery sales at 8.60 Crore Litres.
- Crush of Maharashtra Units at 14.83 LMT.
- Normative sugar recovery of Ramgarh Unit @ 12.25%.
- Kolhapur Unit stood at number 1 in sugar recovery in entire Maharashtra and Ninaidevi at number 2.
- Sugar recovery stood at number 1 for PAN India.

Further, the working results for key businesses are attached and marked as **Annexure - 1** and forms part of this report.

During the COVID-19 pandemic, your Company has contributed its bit to go hand in hand with the public at large including the stakeholders. Few contributions made in this regard include:

- Donation(s) to Centre and State funds and other organisations - ₹1.60 Crore
- Donation of two(2) oxygen plants to hospitals in Uttar Pradesh - ₹1 Crore
- Distribution of sanitizer to hospitals, farmers and various organizations - ₹50 Lakh
- Spreading awareness in 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 above 45 years.

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 2020-2021 is provided separately and forms part of the Annual Report.

The Company continued to be engaged in the same business during the financial year 2020-2021. 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

Your Directors are pleased to recommend a dividend of ₹3/- per equity share of face value of ₹2/- (@ 150%) for the financial year 2020-21 amounting to ₹24.28 Crore, payable to those shareholders whose names appear in the Register of Members as on the cut-off date.

In term of the SEBI Listing Regulations as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, effective from May 05, 2021, the Board of Directors has at its meeting held on May 24, 2021 approved and adopted a Dividend Distribution Policy which is available at https://www.dalmiasugar.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf. The dividend pay-out will be in accordance with the said Dividend Distribution Policy of the Company.

Transfer to General Reserve

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 2020-21 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 31st March, 2021, 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 ventures. A statement containing the salient features of the Financial Statements of the Company's subsidiary for the financial year ended on 31st March, 2021 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 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

During the year under review, the Board of Directors of your Company and of Himshikhar Investment Limited, the wholly owned subsidiary of the Company, has approved the Scheme of Amalgamation involving amalgamation of Himshikhar Investment Limited with the Company. The objective(s) of the amalgamation of Himshikhar Investment Limited into the Company are as under:

1. Reduce the number of companies;
2. Integration of resources of both the companies into a single entity;
3. Rationalisation of the legal and regulatory compliances; and
4. Rationalisation of administrative, compliance and other operational costs.

The Scheme of Amalgamation has been submitted with BSE Limited, National Stock Exchange of India Limited, Reserve Bank of India and the Hon'ble National Company Law Tribunal, Chennai ("NCLT"). However, the application of the Company is still pending before the NCLT in view of extreme COVID situation in the Country.

Directors and Key Managerial Personnel

Shri Jai Hari Dalmia, the Promoter and Managing Director of the Company moved to a higher realm on July 08, 2021. Shri Jai Hari Dalmia was son of our Founder, Shri Jaidayal Dalmia. Shri Jai Hari Dalmia, a leader remembered for his generosity and charismatic personality, lived a life in service for humanity. He had been the guiding light for the Dalmia Bharat Group and played a crucial leadership role for over five decades with the Group. Your Directors place on record their condolences and sincere appreciation for the valuable contribution of Shri Jai Hari Dalmia.

During the year under review, Shri Rajeev Bakshi was appointed as an Additional Director in the Independent category for a term upto five consecutive years by the Board of Directors at its meeting held on 05th February, 2021. Shri. Bakshi is an Economics graduate from St. Stephens College, Delhi University and an MBA from the Indian Institute of Management, Bangalore and has a leadership experience of over 40 years across food and FMCG businesses. In his professional career, he has held senior leadership positions and has also been awarded by IIM Bangalore the "Distinguished Alumni Award" in recognition of his contributions to business and society.

Further, Shri Gautam Dalmia, Managing Director and Chief Executive Officer, has resigned from the position of Chief Executive Officer and Shri Bharat Bhushan Mehta, Whole Time Director, has been appointed as the Chief Executive Officer of the Company with effect from July 31, 2020.

Shri P. Kannan, Smt. Amita Misra and Shri Rajeev Bakshi, being Independent Directors, have given declarations that they met the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Shri Gautam Dalmia, Managing Director (DIN: 00009758) is liable to retire by rotation at the forthcoming Annual General Meeting and has offered himself for reappointment.

The term of appointment of the Managing Director(s) and Whole Time Director of the Company is as under:

Shri Gautam Dalmia, Managing Director – upto 15th January, 2022

Shri Bharat Bhushan Mehta – upto 31st March, 2022

Their re-appointment is accordingly proposed at the forthcoming Annual General Meeting of the Company.

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, Company Secretary 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 five times, i.e., on June 19, 2020, July 31, 2020, November 09, 2020, December 31, 2020 and 05th February, 2021. 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 provided 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 five Board level Committees viz, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Finance Committee.

In terms of the SEBI Listing Regulations as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, effective from May 05, 2021, the Board of Directors has at its meeting held on May 24, 2021 constituted a Risk Management Committee.

The details with respect to the composition and number of meetings held during the financial year 2020-21 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 a 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:

(a) In preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed and there are no material departures from the same;

(b) 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;

(c) 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;

(d) The Directors have prepared the annual accounts on a going concern basis;

(e) 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

(f) 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:

(a) 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;

(b) To set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;

(c) To recommend to the Board, the remuneration payable to senior management;

(d) To adopt best practices to attract and retain talent by the Company; and

(e) 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 the Company's website www.dalmiasugar.com.

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 Chief Executive Officer of the Company, received any remuneration or commission from the subsidiary company of the 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 Rule 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 has been no change in the issued, subscribed and paid up equity share capital of the Company and it remained ₹16.18 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 81,841 equity shares of ₹2/- of the Company each and ₹4,40,689/- towards unclaimed dividend to the Investor Education and Protection Fund.

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 is placed on the Company's website 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 2020-21 as per the SEBI Listing Regulations is provided separately and forms part of the Annual Report.

Business Responsibility Report and Sustainability Report

The Business Responsibility Report, as per the SEBI Listing Regulations, describing the initiatives taken by the Company from environment, social and governance perspective is provided separately and forms part of the Annual Report.

The Company's Sustainability Report for the period 2018-19 to 2019-20 is available at https://www.dalmiasugar.com/wp-content/uploads/2021/02/DBSIL-Sustainability-Report-FY1920_.pdf.

Corporate Social Responsibility

The Company 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.

The Corporate Social Responsibility Policy of the Company may be accessed at the Company's website www.dalmiasugar.com. Pursuant to the said Policy, the Company has spent ₹ 3.87 Crore towards corporate social responsibility activities including livelihood, climate action, social infrastructure and COVID19 relief during the financial year 2020-21. The said amount spent was 2% of average net profits of the Company made during three immediately preceding financial years. The annual report on corporate social responsibility activities is attached and marked as **Annexure – 4** and forms part of this report.

Related Party 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.

The particulars of contracts/arrangements/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. The Policy may be accessed at the Company's website www.dalmiasugar.com.

Risk Management Policy

Your Company has a Risk Management Policy, the objective of which is to lay down a structured framework for identifying potential threats to the Company on a regular basis, assessing likelihood of their occurrence, designate risk owners to continually evaluate the emergent risks and plan measures to mitigate their impact on the Company, to the extent possible. The framework and the system are reviewed from time to time to enhance their usefulness and effectiveness.

The major risks are assessed through a systematic procedure of risk identification and classification. Risks are prioritized according to significance and likelihood. The purpose of risk management is not to eliminate risks but to proactively address them. The Audit Committee oversees the risk management plan and ensures its effectiveness. There are no elements of risk which in the opinion of the Board may threaten the existence of the Company.

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 may be accessed at the Company's website www.dalmiasugar.com.

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 2020-21, no complaint was received by ICC.

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 notes no. 5 and 9.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Energy Conservation, Technology Absorption and Foreign Exchange Transactions is attached and marked as in **Annexure – 6** and forms part of this report.

Statutory Auditor and their Report

NSBP & Co, Chartered Accountants (Firm Registration No. 001075N), Statutory Auditors of the Company hold office till the conclusion of Seventieth Annual General Meeting of the Company to be held in 2022.

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 Auditor and their Report

Your Company maintains the cost records with respect to its Sugar Products, Electrical Energy and Alcoholic Beverages 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 2020-21. They had submitted the Cost Audit Report for the financial year 2019-20 on July 31, 2020.

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 2021-22 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 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 2020-21 include:

1. Dalmia Bharat Sugar and Industries Limited (Windfarm) received the best performance award for 2019-20 at 24th Indian Wind Power Association meeting.
2. Dalmia Bharat Sugar and Industries Limited, Nigohi Sugar Unit, received top honours from Shrimati Anandiben Patel, Governor of Uttar Pradesh, for helping the Uttar Pradesh Government in eradication of the Tuberculosis in Shahjahanpur District.

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

Annexure 1

On Working Results of key businesses for the Financial Year 2020-2021

Particulars	FY (2020-21)	FY (2019-20)
Sugar Division ('000 MT)		
Cane Crushed	5,268	4,798
Sugar Production	601	558
Sugar Sales	618	485
Co-Generation		
Installed Capacity (MW)	119	119
Production (Million Units)	493	549
Sales (Million Units)	304	334
Distillery		
Installed Capacity (KL/Day)	305	240
Production ('000 KL)	84	68
Sales ('000 KL)	86	64
Magnesite Division ('000 MT)		
Refractory Product Production	2	7
Refractory Product Sale & Self Consumption	3	4
Electronic Division (Nos)		
Chip Capacitor Production	7,800	20,737
Chip Capacitor Sales	7,800	10,400
Wind Farm		
Installed Capacity (MW)	17	17
Production (Million Units)	21.82	23.11
Plant Load Factor	15%	16%
Govan Travels		
Business Handled (₹In Crore)	2.19	23.93

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 2020-21

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	56.93
5	Total assets	211.74
6	Total Liabilities	154.36
7	Investments	211.44
8	Turnover	0.54
9	Profit before taxation	0.50
10	Provision for taxation	(0.34)
11	Profit after taxation	0.84
12	Proposed Dividend	Nil
13	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: None
2. 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 Secretary

Place: New Delhi
Date: July 30, 2021

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 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 are as under:

Name of the Director, Chief Financial Officer and Company Secretary and Designation	Remuneration for the financial year 2020-21 (in ₹Crore)	Ratio of remuneration to median remuneration* of employees	% increase in the remuneration during the financial year 2020-21
Late Shri Jai Hari Dalmia Managing Director (Till July 08, 2021)	1.37	50.35	(3.52)
Shri Gautam Dalmia Managing Director	5.82	214.36	(0.34)
Shri Rajeev Bakshi Chairman, Non-Executive Independent Director (Appointed on 05th February, 2021)	0.16	5.71	0**
Smt Amita Misra Non-Executive Independent Director	0.16	6.41	433
Shri P Kannan Non-Executive Independent Director	0.16	5.86	(5.88)
Shri T. Venkatesan Non-Executive Director	0.03	1.06	0
Shri Bharat Bhushan Mehta Whole-time Director and Chief Executive Officer	3.19	117.36	14.75
Shri Anil Kataria Chief Financial Officer	1.07	39.23	0.94
Ms. Aashhima V Khanna Company Secretary	0.10	3.50	900***

Note:

* The median remuneration of employees of the Company during the financial year 2020-21 was ₹2,71,498/-.

** Comparison not available as appointed on 05th February, 2021

*** Not an exact comparison as appointed on 30th January, 2020

1. The percentage increase in the median remuneration of employees in the financial year was 9.64%.
2. The number of permanent employees on the rolls of the Company at the end of the financial year 2020-21 was 2,469.
3. The average percentage increase in the salaries of employees other than the managerial personnel was about 8.4% during the financial year 2020-21 and the percentage increase in the remuneration of managerial personnel during the said financial year was about 12.2%. The said increase was due to annual appraisals and increments.
4. 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 2020-21

S. 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	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	1.37
2	Shri Gautam Dalmia	53	Managing Director	B.SC, M.S. in Electrical Engineering	28	16/01/2007	None	5.82
3	Shri Bharat Bhushan Mehta	67	Whole time Director & CEO	B.Com(H), CA	44	01/04/2019	Dalmia Bharat Limited	3.19
4	Shri Pankaj Rastogi	57	Chief Operating Officer	B.Tech, PGDM	34	01/01/2019	Dalmia Bharat Limited	1.64
5	Shri Anil Kataria	61	Chief Financial Officer	B.Com, FCA & FCS	35	06/04/2009	Escorts Group	1.07
6	Shri Naresh Paliwal	64	Deputy Executive Director	B.Com, FCA	34	24/06/2010	Oudh Sugar Mills Limited	1.07
7	Shri Kuldeep Kumar	51	Deputy Executive Director	MBA - Operations	30	17/07/2015	Mawana Sugar Works	0.74
8	Shri Naveen Kumar Gupta	52	Deputy Executive Director	BE(Civil)	30	01/12/2009	Feedback Ventures Pvt. Ltd.	1.16
9	Shri Raghu Hari Dalmia	71	Advisor	B. tech	47	01/05/2019	Dalmia Cement (Bharat) Limited	1.46
B.	Employed for part of the year							
10	Shri Deepak Kumar	45	Executive Director	MBA	20	01/08/2020	Patanjali Ayurveda Ltd.	0.82

Notes:

1 Late Shri Jai Hari Dalmia was the father of Shri Gautam Dalmia and hence related to each other.

2 None of the above employees held 2% or above of the equity share capital of the Company as on 31st March, 2021 either himself and /or alongwith his spouse and dependent childern.

3 Remuneration shown above, inter alia, includes value of perquistes, all other allowances and all retiral benefits (excluding gratuity).

4 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 2020-21

1. Brief outline on CSR Policy of the Company:

Dalmia Bharat Sugar and Industries Limited (**"Company"**) 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 Corporate Social Responsibility (**"CSR"**) of the Company is based on the principal of Gandhian Trusteeship. For over eight decades the Company has addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

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

In the recent years the Company has realigned its CSR programme to focus on issues material to the Company and its stakeholders. The approach is to make significant and sustainable difference through the CSR programmes in the lives of beneficiaries by working in partnership with the 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 the neighbouring community. The Company realized that these issues were more material to the business as well as to the communities around its facilities. The Company thus planned its CSR 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 Mishra	Chairperson	4	4
2	Shri Gautam Dalmia	Member	4	3
3	Shri Bharat Bhushan Mehta	Member	4	4

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/themes/Sugar/assets/policies/Corporate-Social-Responsibility-Policy.pdf

https://www.dalmiasugar.com/investors/ ; https://www.dalmiasugar.com/wp-content/uploads/2021/08/2021-22.pdf

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:

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 ₹)
1			
2		Nil	
3			
	Total		

6. Average net profit of the company as per section 135(5): ₹193,43,02,443/-

7. Total CSR obligation for the financial year (7a+7b- 7c): ₹3,86,86,049/-

a	Two percent of average net profit of the company as per section 135(5)	₹3,86,86,049/-
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
C	Amount required to be set off for the financial year, if any	Nil

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
3,87,25,255	Nil		Not Applicable		

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

1	2	3	4	5	6	7	8	9	10	10	
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

(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 Implementing Agency**	
				State.	**District.**			**Name**	**CSR Registration number.**
1	Livelihood	Item No. II & III	Yes	Uttar pradesh	Sitapur	4,301,080	No.	Dalmia Bharat Foundation	CSR00002821
			Yes	Uttar pradesh	Shahjahanpur	2,609,341	No.		
2	Climate Action	Item No. IV	Yes	Uttar pradesh	Sitapur	13,872,920	No.	Dalmia Bharat Foundation	CSR00002821
			Yes	Uttar pradesh	Shahjahanpur	7,356,060	No.		
			Yes	Tamil Nadu	Salem	1,785,655	Yes		
			Yes	Uttar pradesh	Sitapur	199,600	Yes		
3	Social Infrastructure	Item No. I & X	Yes	Uttar pradesh	Sitapur	3,640,387	No.	Dalmia Bharat Foundation	CSR00002821
			Yes	Uttar pradesh	Shahjahanpur	559,352			
			Yes	Maharashtra	Kolhapur	2,857,223			
			Yes	Maharashtra	Sangli	903,636			
	TOTAL					**38,085,255**			

(d) Amount spent in Administrative Overheads: ₹6,40,000/-

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹3,87,25,255

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	3,86,86,049
(ii)	Total amount spent for the Financial Year	3,87,25,255
(iii)	Excess amount spent for the financial year [(ii)-(i)]	39,206
(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	
1.							
2.	Nil						
3.							
	TOTAL						

(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
1.								
2.	Nil							
3.								
	TOTAL							

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):

A	Date of creation or acquisition of the capital asset(s)	Not applicable
B	Amount of CSR spent for creation or acquisition of capital asset	Not applicable
C	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
D	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not applicable

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): Not applicable

Bharat Bhushan Mehta
Whole Time Director and CEO

Amita Misra
Chairperson, CSR Committee

Dated: May 24, 2021
Place: New Delhi

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	

2. 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, 2019 till April 30, 2022
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹1.46 Crore paid during financial year 2020-21. Total remuneration of ₹2 Crore per annum, reimbursement of expenses incurred by him on medical, petrol & maintenance and electricity 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 20, 2019
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Bharat Bhushan Mehta
Whole Time Director and CEO

Amita Misra
Chairperson, CSR Committee

Dated: July 30, 2021
Place: New Delhi

Annexure 6

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO AND EARNINGS FOR THE FINANCIAL YEAR 2020-21

(A) Conservation of Energy:

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

a) Sugar plants operated with varying configuration for different molasses schemes resulted saving into overall electricity consumption and steam per ton of cane crush.

b) Required changes carried out in boiler operations to achieve more efficient operations in terms of fuel consumption and electricity generation per ton of steam.

c) Ion-Exchange technology implementation at Nigohi Unit resulted into lower consumption of steam and electricity per ton of sugar produced.

d) New distillation plant with integrated evaporation system in line with waste heat type incineration cogeneration plant installed at Nigohi Unit.

e) Replacement of conventional CFL lighting with LED implemented in some areas.

f) More falling film evaporators resulted into reduction in steam consumption % cane.

g) More AC variable frequency drives and high efficiency helical gearboxes installed for mill drive to achieve better milling efficiency and reduced power consumption per MT cane.

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

The Company is primarily using 100% renewable source of energy. The Company has also implemented solar based water pumping system(s) in farms.

III. The capital investment on energy conservation equipment -

Company has invested around ₹3 Crore during the financial year 2020-21 to conserve the energy.

(B) Technology Absorption:

I. The efforts made towards technology absorption –

a. Ion-Exchange refinery process is introduced in sugar production to achieve lowest colour in sugar crystal.

b. Rotary drier technology implemented to reduce moisture level in sugar bags.

c. Company is investing heavily in proven state of art latest technologies for the treatment of effluents with continuous digestor (anaerobic) along with aerobic system for recycling of process condensate up to maximum level.

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

e. Distributed control system (DCS): State of art operations of cane milling, pan boiling, co-gen, decanters, etc. are automated and controlled.

f. Air-cooled condensers: Surface condensers without use of water are environment friendly.

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

h. Water management: various schemes like- CPU are in implementing stage to conserve use of ground water in processing.

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

With the introduction of newer technology like IER and rotary drier, the Company has successfully improved sugar quality for domestic as well as international market.

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 sizes of packaging and sachets.

The Company, as a result of the efforts made, has achieved better quality of sugarcane which will result into increased yield and recovery % cane. The consistent efforts at micro level are resulting into lower stoppage days, hence the costs.

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 ₹3.81 Crore on cane development and ₹0.52 Crore for Research & Development at Salem.

(C) Foreign Exchange Earnings and Outgoes

i. Foreign Exchange earned in terms of actual inflows during the year is ₹419.11 Crore

ii. Foreign Exchange outgo during the year in terms of actual outflows is ₹0.74 Crore

For and on behalf of the Board of Directors

Gautam Dalmia	Bharat Bhushan Mehta
Managing Director	*Whole Time Director and CEO*

Dated: July 30, 2021
Place: New Delhi

Corporate Governance Report

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"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

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.

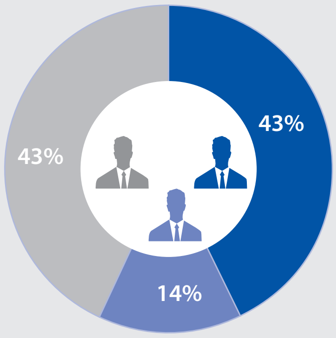
We work with transparency, responsibility and credibility. We are a professionally run enterprise and have effective board oversight with sound corporate governance practices to deliver long-term value to the stakeholders. Our corporate governance framework and philosophy originates from our responsibility 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. Our Board comprises seven Directors out of which 57% are Non-Executive Directors and 43% are the Executive Directors.

About 43% 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.



The Composition of the Board is as under:

	Non-Executive and Independent Directors	43%
	Non-Executive Directors and Non Independent Directors	14%
	Executive Directors	43%
	Total Board Size and Composition	**100%**

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 is 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.

Shri Rajeev Bakshi was appointed as an Additional Director in the Independent category by the Board of Directors at its meeting held on 05th February, 2021 for a term upto five consecutive years subject to his appointment by the shareholders at the forthcoming Annual General Meeting. No Independent Director resigned during the financial year 2020-21.

The Composition of the Board and other Directorships of Directors of the Company held as on 31st March, 2021 are provided in below Table1.

Table 1: The Composition of the Board and other Directorships held as on 31st March, 2021

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	1	1	0
Smt. Amita Misra	Non-Executive and Independent Director	Welspun Corp Limited	2	3	0
Shri P. Kannan (Chairman)	-	-	-	-	-
Non-Executive and Non Independent Director					
Shri T. Venkatesan	Non-Executive and Non Independent Director	Srikalahasthi Pipes Limited	1	3	1
Executive Director					
Late Shri Jai Hari Dalmia (Vice Chairman and Managing Director) (Promoter) (Till July 08, 2021)	Non-Executive Director	Dalmia Bharat Limited	4	0	0
	Non-Executive and Non Independent Director	Alirox Abrasives Limited			

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
Shri. Gautam Dalmia (Managing Director) (Promoter)	Executive Director	Dalmia Bharat Limited			
	Non-Executive and Non Independent Director	Indian Energy Exchange Limited			
Shri. Bharat Bhushan Mehta (Whole Time Director and Chief Executive Officer)	-	-	2	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 eight listed companies and serve as an independent director in more than seven listed companies;
4. Mr. Gautam Dalmia is son of Late Mr. Jai Hari Dalmia.

None of the other Directors is related to any other Director on the Board.

None of the Directors have been debarred or disqualified from being appointed or continuing as Director of companies 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 2020-21, the Board of Directors had met five times, i.e., on June 19, 2020, July 31, 2020, November 09, 2020, December 31, 2020 and 05th February, 2021.

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 2020-2021.

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 (Till July 08, 2021)	No	5	5	100	555175
Shri. Gautam Dalmia	No	5	5	100	151990
Shri P. Kannan	Yes	5	4	80	2730
Smt. Amita Misra	Yes	5	5	100	-
Shri. Bharat Bhushan Mehta	Yes	5	5	100	-
Shri T. Venkatesan	Yes	5	5	100	15000
*Shri Rajeev Bakshi	No	1	1	100	-

1. Due to the Covid Pandemic all the meetings were conducted through Video Conferencing

* Shri Rajeev Bakshi was appointed as Non-Executive Independent Director of the Company with effect from 05th February, 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 05th February, 2021 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 2020-21 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 three 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 2020-21 are provided in below Table 3.

Table 3: Remuneration details

(₹ in Crore)

S. No	Name of Director	Sitting fees	Commission	Salary and perquisites	Retirement benefits	Total
1	Late Shri. Jai Hari Dalmia (Till July 08, 2021)	-	-	1.22	0.15	1.37
2	Shri. Gautam Dalmia	-	-	5.21	0.61	5.82
3	*Shri Rajeev Bakshi	0.005	0.15			0.16
4	Smt. Amita Misra	0.06	0.10			0.16
5	Shri P. Kannan	0.06	0.10			0.16
6	Shri T. Venkatesan	0.03	-			0.03
7	Shri Bharat Bhushan Mehta	-	-	3.03	0.16	3.19

*Appointed with effect from 05th February, 2021

The retirement benefits to the Executive Directors comprise of the Company's contribution to provident fund and superannuation fund (as applicable). 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. 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 2020-21 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:

S. No	Director(s)	Skill / Expertise / competence
1	Shri Jai Hari Dalmia Shri Gautam Dalmia Shri Bharat Bhushan Mehta	*Leadership* - Visionary with strategic goal - Identify road maps, approach, processes, key deliverables - Mentor the team to channelize energy/efforts in appropriate direction - A thought leader and a role model in good governance and ethical conduct of business - Hands on experience of leading the Company at the highest level
2	Shri Gautam Dalmia Shri Bharat Bhushan Mehta Shri Thyagrajan Venkatesan, Shri Rajeev Bakshi	*Industry knowledge and experience* - Domain knowledge of businesses viz. Sugar, Power and Distillery - Vast experience of industry
3	Shri Thyagrajan Venkatesan Smt. Amita Misra	*Policy shaping and industry advocacy* - Professional relationship with the policy makers and regulators - Contribution in shaping of Government policies in the areas of Company's business
4	Smt. Amita Misra Shri P. Kannan Shri Thyagrajan Venkatesan	*Governance including legal compliance* - Commitment, belief and experience in setting corporate governance practices - Support the Company's legal compliance systems and governance policies/practices.
5	Shri P. Kannan Smt. Amita Misra Shri Thyagrajan Venkatesan Shri Rajeev Bakshi	*Finance & Accounts / Audit / Risk Management areas* - Expertise in financial matters and policies, accounting statements and disclosure practices - Contribute to the financial/risk management policies/practices

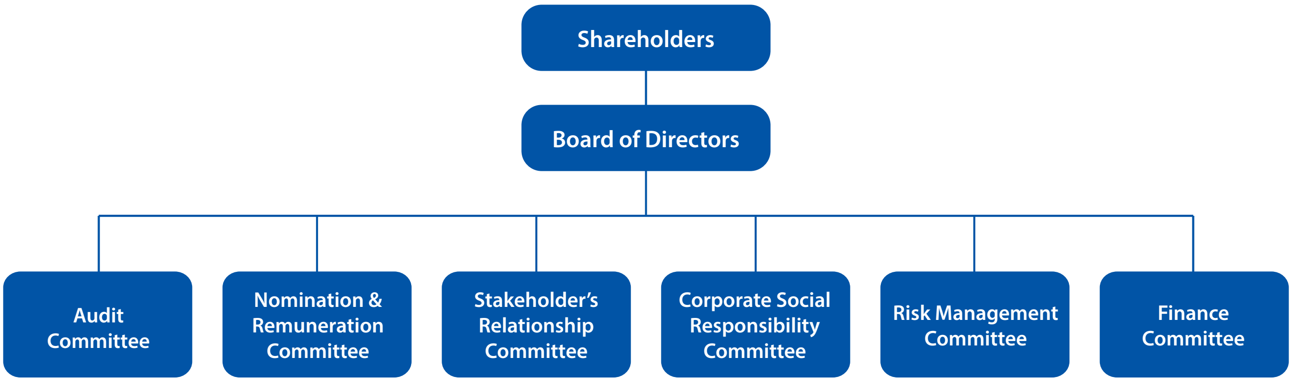
(III) COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

Composition of Committees, their meetings and attendance

The Board of Directors of the Company has seven (5) Board level Committees as on 31st March, 2021, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, and Finance Committee.

In term of the SEBI Listing Regulations as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, effective from May 05, 2021, the Board of Directors has at its meeting held on May 24, 2021 constituted a Risk Management 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 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 five times during the financial year 2020-21 and the gap between two committee meetings did not exceed 120 days. The dates on which the committee meetings held were: June 19, 2020, July 31, 2020, November 09, 2020, December 31, 2020 and 05th February, 2021. The composition of the Audit Committee and attendance details at the Audit Committee meetings are given in below Table4:

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

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

Note: All the meetings were conducted through audio video means 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 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.
- 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 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 2020-21 were accepted by the Board of Directors.

The members of the Audit Committee, i.e., Shri Bharat Bhushan Mehta, Shri P. Kannan and the Chairperson, Smt. Amita Misra were present at the Annual General Meeting of the Company held on September 18, 2020.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee met two times during the financial year 2020-21 on July 31, 2020 and 05th February, 2021. The composition of the Nomination and Remuneration Committee and attendance details at the Nomination and Remuneration Committee meetings are given in below Table 5:

Table 5: Composition of Nomination and Remuneration Committee and attendance details at 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 T. Venkatesan	2	2	100%

Note: All the meetings were conducted through audio video means 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.
- Administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme.

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 2020-21 were accepted by the Board of Directors.

The members of the Nomination and Remuneration Committee, i.e., Shri P. Kannan, Shri T Venkatesan and the Chairperson, Smt, Amita Misra were present at the Annual General Meeting of the Company held on September 18, 2020.

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 2020-21, 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 Director(s) being evaluated.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met four times during the financial year 2020-2021 on June 19, 2020, July 31, 2020, November 09, 2020 and 05th February, 2021. The composition of the Stakeholders' Relationship Committee and attendance details at the Stakeholders' Relationship Committee meetings are given in below Table 6:

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

Name of the member	Number of meetings held during tenure	Meetings attended	% of attendance
Shri P. Kannan (Chairperson)	4	4	100%
Shri Gautam Dalmia	4	3	75%
Shri Bharat Bhushan Mehta	4	4	100%

Note: All the meetings were conducted through audio video means 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 role of Stakeholders' Relationship Committee 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. Aashhima 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 2020-21, the Company had received 103 complaints from the shareholders. Details of shareholders' complaints are given below in Table 7:

Shareholders complaints:

During the financial year 2020-21, the Company had received 103 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, 2020	Received during the year	Resolved satisfactorily during the year	Pending as on 31st March, 2021
Non-receipt of Annual Report	0	1	1	0
Non-receipt of Dividend Warrants	0	90	90	0
Non-receipt of securities after transfer / transmission / duplicate / demat / name correction / split etc.	0	12	12	0
Complaints received from:				0
- Securities and Exchange Board of India	1	0	0	0
- Stock Exchanges	0	0	0	0
- Registrar of Companies/ Department of Company Affairs	0	0	0	0
Others	0	0	0	0
Total	**1**	**103**	**103**	**0**

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met four times during the financial year 2020-21 on June 19, 2020, July 31, 2020, November 09, 2020 and 05th February, 2021. The composition of the Corporate Social Responsibility Committee and attendance details at the Corporate Social Responsibility Committee meetings are given in below Table 8:

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

Name of the member	Number of meetings held during tenure	Meetings attended	% of attendance
Smt Amita Misra (Chairperson)	4	4	100%
Shri Gautam Dalmia	4	3	75%
Shri Bharat Bhushan Mehta	4	4	100%

Note: All the meetings were conducted through audio video means 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.

The Board has adopted the CSR Policy as formulated 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 2020-21 forms part of the Board's Report.

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.

Risk Management Committee

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Board of Directors has at its meeting held on May 24, 2021 constituted a Risk Management Committee with Shri Rajeev Bakshi as the Chairperson and Smt. Amita Misra and Shri Bharat Bhushan Mehta as members.

The role, powers and terms of reference of the Risk Management Committee covers all the areas prescribed under Schedule II, Part D, Para C 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 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.

(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 movement apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 (collectively referred as "MCA Circulars"), had permitted companies to hold their AGM through video conferencing/other audio video means for the calendar year 2020, accordingly the AGM during 2020 was held through Audio Video Means.

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

Also, the representatives of the Statutory Auditors and Secretarial Auditors attend the AGM to respond to the queries of shareholders, if any, with respect to financial statements, secretarial audit, compliance or otherwise.

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

The details of the last three Annual General Meetings (AGMs) are given below in Table 9.

Table 9: Details of last three AGMs

AGM	Date	Time	Location
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.
2017-18	September 14, 2018	10:30 a.m.	Dalmia Higher Secondary School Auditorium, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651

(b) Special Resolutions

Table 10: Details of Special Resolutions passed during last three AGMs

68th AGM held on September 18, 2020	▪ No Special Resolution was passed.
67th AGM held on August 29, 2019	▪ 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. ▪ Re-appointment of Mr. Panchapakesan Kannan as an Independent Director of the Company. ▪ 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.
66th AGM held on September 14, 2018	▪ Continuation of appointment of Shri J.S. Baijal as an Independent Director, having attained more than seventy five years of age, till his remaining term as an Independent Director in the Company. ▪ Continuation of appointment of Shri M. Raghupathy as an Independent Director, having attained more than seventy five years of age, till his remaining term as an Independent Director in the Company.

(c) Postal Ballot

No Special Resolution was passed during financial year 2020-21 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. However, pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 the annual financial results for the financial year ended 31st March, 2020 were permitted to be submitted to the Stock Exchanges on or before July 31, 2020. Accordingly, same were approved by the Board of Directors and submitted to the Stock Exchanges on June 09, 2020. 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.

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.

Disclosures

The Company files various disclosures with the Stock Exchanges including inter-alia, the quarterly Shareholding Pattern, Investors Complaints Report, Corporate Governance Report, 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 September 21, 2021 at 10.30 a.m. through Audio Video Means as permitted by MCA Circular No. 02/2021 dated 13th January, 2021.

(b) Financial year

The financial year of the Company is from April 01, 2021 to 31st March, 2021.

(c) Dividend

The Board of Director has, at its meeting held on May 24, 2021, recommended a dividend of ₹3/- (150 %) per equity share of face value of ₹2/- for the financial year 2020-21 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 cut-off date, i.e., September 14, 2021. The Dividend payment date is September 24, 2021 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 and Commercial Papers, 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 2020-21 is given below in Table 11.

Table 11: High, low and close market price of the shares during financial year 2020-21 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2020	69.70	51.30	60.90	69.50	50.70	61.20
May, 2020	69.80	55.00	67.05	69.55	54.20	67.15
June, 2020	124.00	67.55	109.40	124.85	66.55	109.15
July, 2020	124.90	104.40	123.80	124.95	104.50	123.85
August, 2020	156.00	120.75	130.55	153.80	121.00	131.10
September, 2020	138.40	121.10	128.55	138.70	121.00	128.65
October, 2020	135.75	122.80	130.90	136.25	122.55	130.45
November, 2020	146.85	126.00	137.65	146.80	123.85	137.50
December, 2020	158.95	131.00	143.80	158.90	131.00	143.90
January, 2021	149.70	133.50	138.65	150.00	133.10	138.55
February, 2021	167.70	136.55	160.30	167.75	136.45	160.50
March, 2021	189.00	155.90	186.55	189.05	155.50	186.70

Chart A: Share Performance versus BSE Sensex

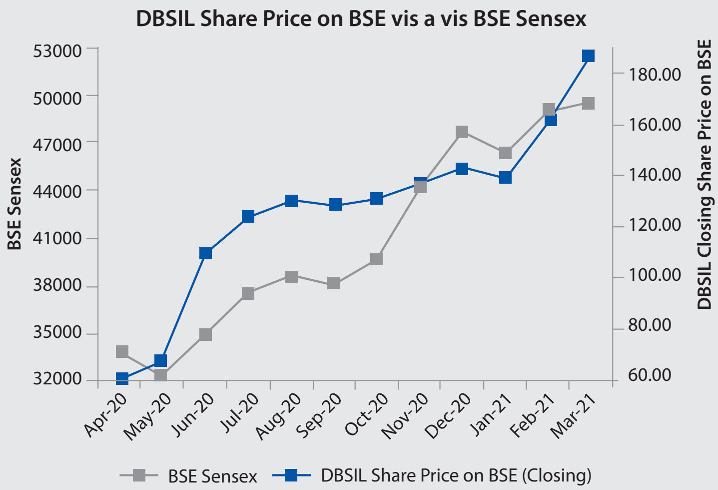
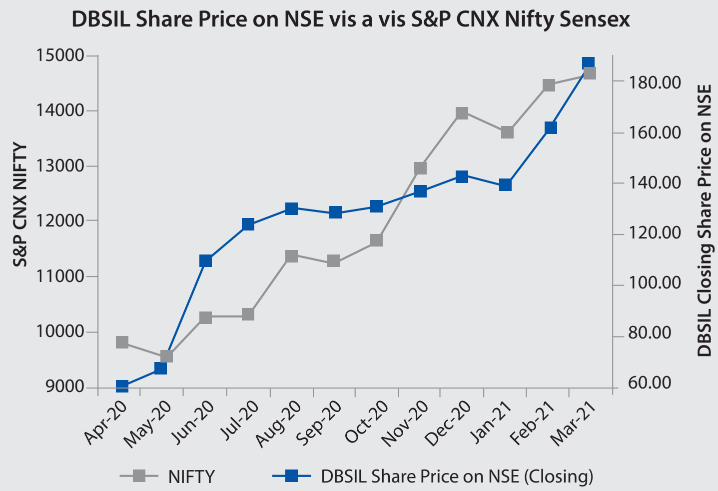


Chart B: Share Performance versus NIFTY



(h) Registrar and Transfer Agent

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) having the address as under is the Registrar and Transfer Agent of the Company:

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District
Nanakramguda, Hyderabad – 500 032.

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.

98.68% 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 2020-21, 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.

(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 31st March, 2021.

Table 12: Distribution of shareholding by size

S. No	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	15581	83.75	1701804	2.10
2	501 - 1000	1341	7.21	1068727	1.32
3	1001 - 2000	779	4.19	1179614	1.46
4	2001 - 3000	285	1.53	731991	0.90
5	3001 - 4000	157	0.84	564474	0.70
6	4001 - 5000	105	0.56	487883	0.60
7	5001 - 10000	184	0.99	1292110	1.60
8	10001 - 20000	88	0.47	1244938	1.54
9	20001 and above	85	0.46	72667762	89.78
	TOTAL:	**18605**	**100.00**	**80939303**	**100.00**

Table 13: Distribution of shareholding by ownership

Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	11	0.06	1120450	1.39
Promoters Bodies Corporate	9	0.04	59513672	73.53
Central/State Governments	4	0.02	128155	0.16
Financial Institutions/Banks	11	0.06	51310	0.06
Mutual Funds	1	0	2500	0
Foreign Institutional Investors	10	0.05	671550	0.83
Bodies Corporates	174	0.93	933970	1.15
NRI/Foreign Nationals	368	1.98	238719	0.3
IEPF	1	0	1401480	1.73
Individuals/Others	18016	96.83	16877497	20.85
Total	**18605**	**100**	**80939303**	**100**

(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 because of export quotas announced by the Central Government. 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 as detailed below in Table 14.

Table 14: Plant Locations

Sugar Plants

Unit: Ramgarh Village & Post – Ramgarh, Tehsil - Mishrikh, District - Sitapur, Pincode - 261403, Uttar Pradesh	**Unit: Nigohi** Village-Kuiyan, Post- Areli,Tehsil - Tilhar, District - Shahjahanpur, Pincode - 242407, Uttar Pradesh	**Unit: Jawaharpur** Village- Jawaharpur, Post - Ramkot, Tehsil – Sitapu r Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh
Unit: Shri Datta, Asurle - Porle Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode- 416229, Maharashtra	**Unit: Ninaidevi, Kokrud** Village & Post-Karungali-Aarala, Taluka – Shirala, District - Sangli, Pincode-415405, Maharashtra	

Distillery Units

Unit – Jawaharpur Village- Jawaharpur, Post-Ramkot, Tehsil- Sitapur Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh	**Unit – Nigohi** Village-Kuiyan, Post- Areli, Tehsil - Tilhar, District - Shahjahanpur, Pincode -242407, Uttar Pradesh	**Unit–Asurle-Porle** Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode- 416229, Maharashtra
Magnesite Refractory Products: Dalmia Magnesite Corporation (Prop. Dalmia Bharat Sugar and Industries Limited) Salem (Tamil Nadu) Vellakkalpatti, P.O. Karuppur, Salem – 636012.	**Wind Farm Unit:** Dalmia Wind Farm (Prop. Dalmia Bharat Sugar and Industries Limited) Muppandal (Tamil Nadu) Aralvaimozhy –629301 District Kanyakumari (Tamil Nadu)	**Electronics Division:** Dalmia Bharat Sugar and Industries Limited Plot No. 53, 54A, Keonics Electronics City, Phase - 1 Hosur Road, Bangalore – 560100 Karnataka

(m) Address for correspondence

Dalmia Bharat Sugar and Industries Limited

(1) Share Department
Dalmiapuram – 621651
Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 – 235127/8/9 Fax: 04329 235111

(2) Company Secretary
11th and 12th Floor
Hansalaya Building
15, Barakhamba Road
New Delhi – 110 001

(n) Credit rating

During the financial year 2020-21, ICRA Limited has reaffirmed a long-term rating of [ICRA]AA- (pronounced ICRA double A minus) for the bank facilities and a short-term rating of [ICRA] A1+ (pronounced ICRA A one plus) for the bank facilities and CP Programme. Outlook on the long-term rating has been revised to Positive from 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.

(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 no complaint has been received by the Company.

(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 is 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 SEBI 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.

The Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and is provided reimbursement of expenses incurred in performance of his duties.

The financial statements of the Company are with unmodified audit opinion.

The internal auditor reports directly to the Audit Committee.

(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 ₹17.20 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 2021, 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 SEBI 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 SEBI 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

Date: July 30, 2021
Place: Delhi
UDIN: F004835C000714291

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 31st March, 2021 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 31st March, 2021 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 31st March, 2021;
   b) that there are no significant changes in accounting policies during the financial year ended 31st March, 2021; 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: July 30, 2021
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: July 30, 2021
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: L26942TN1951PLC000640 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 ending on 31st March, 2021 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

Harrish Khurana
C. P. No. 3506

Dated: July 30, 2021
Place: Delhi
UDIN: F004835C000401429

Business Responsibility Report

About the Company

Dalmia Bharat Sugar and Industries Limited (**"DBSIL/Company"**) is a part of Dalmia Bharat Group and ranks amongst the top ten sugar producers in India. During the year, the Company has successfully created a strong presence in B2B markets. DBSIL is the only company having presence in two non-contiguous states, i.e., in Uttar Pradesh and Maharashtra. DBSIL's Jawaharpur and Nigohi units in Uttar Pradesh and Kolhapur unit in Maharashtra are fully-integrated with sugar mill, distillery and co-generation of power thereby maximizing the utilization of by-products, i.e., molasses and bagasse, reducing transportation costs and enhancing efficiency. Our sugar production for the year 2020-21 has recorded as 5.89 lakh tonnes, based on an aggregated cane crushing capacity of 36,500 tonnes per day while our distilleries possessed an aggregate capacity of 305 kilo litres per day and cogeneration capacity of 119 megawatts (saleable 65 megawatts).

About this report

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (**"SEBI Listing Regulations"**) prescribes that the top 1000 companies based on market capitalization as on 31st March of every financial year shall publish a Business Responsibility Report as part of their Annual Report. However, as per the SEBI Listing Regulations amended with effect from May 05, 2021, the requirement of submitting a Business Responsibility Report shall be substituted with submission of a Business Responsibility and Sustainability Report in the format as specified by the SEBI from time to time with effect from the financial year 2022–23. Even during the financial year 2021–22, the Company could voluntarily submit a business responsibility and sustainability report in place of the mandatory business responsibility report.

The Company is presenting its second Business Responsibility Report. This Business Responsibility Report of the Company is based on the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India. This report has been prepared in accordance with Regulation 34 of the Listing Regulations and provides the requisite information as prescribed by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26942TN1951PLC000640			
2.	Name of the Company	Dalmia Bharat Sugar and Industries Limited			
3.	Registered address	Dalmiapuram-621651, Dist. Tiruchirapalli, Tamil Nadu			
4.	Website	www.dalmiasugar.com			
5.	E-mail id	Khanna.aashima@dalmiasugar.com			
6.	Financial Year reported	1st April 2020 to 31st March 2021			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Group**	**Class**	**Sub Class**	**Description**
		107	1072	10721	Manufacturing of sugar
		110	1101	11011	Production of Industrial Alcohol
		351	3510	35106	Generation of Power
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Sugar, Industrial Alcohol, Power (Co-Generation)			
9.	Total number of locations where business activity is undertaken by the Company	(a) **Number of International Locations:** Nil (b) **Number of National Locations:** The Company carries out its operations through its Registered Office in Dalmiapuram (Tamil Nadu), Corporate Office in New Delhi and five manufacturing facilities located across Uttar Pradesh at Ramgarh, Jawaharpur, Nigohi and across Maharashtra in Kolhapur and Sangli.			
10.	Markets served by the Company–Local/State/ National/International	The Company has PAN India presence. Also, the international markets served by the Company include amongst others the Middle East, SAARC and Mediterranean Countries.			

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (INR)	16.19 Crore
2.	Total Turnover (INR)	2739.15 Crore
3.	Total profit after taxes(INR)	269.50 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR)	₹3.87 Crore , i.e., 2 % of the average net profits of last 3 years.
5.	List of activities in which expenditure in 4 above has been incurred	The Company spends on varied activities pertaining to CSR in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended. The details of various activities like Livelihood, Climate Action – Water / Energy, and Social Infrastructure, etc. undertaken during the financial year under review are given under Principle 8 below and in the Annual Report on CSR attached as Annexure 4 of the Directors' Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has one subsidiary as on 31st March, 2021.
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes, various Business Responsibility (BR) initiatives are undertaken throughout the year and the Company encourages its Subsidiary Company to participate in its BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	Stakeholder engagement is an important aspect of sustainability development and leads to sustained profitability. We make sure that we are in regular touch with all our stakeholders to understand their needs, concerns and are open to their views and suggestions. This enhances informed decision-making and paves way for more effective compliance of business responsibility initiatives. We encourage all the stakeholders to participate in the business responsibility initiatives including inter alia ethics, transparency, accountability, environment protection, road safety, contractor safety, etc. However, the participation in percentage terms cannot be measured.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number	00006890
2.	Name	Mr. Bharat Bhushan Mehta
3.	Designation	Whole Time Director and Chief Executive Officer

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Pankaj Rastogi
3	Designation	Chief Executive Officer – Sugar Business
4	Telephone number	011 23465100
5	e-mail id	Rastogi.pankaj@dalmiasugar.com

1. **Principle-wise (as per NVGs) BR Policy/policies**

The nine principles of the Company comprise:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy /policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The Policies are based on the "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" and the generally accepted practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies have been uploaded on the website of the Company (www. dalmiasugar.com) in accordance with the provisions contained in the Companies Act, 2013 and Listing Regulations.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where It finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial power or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

2. Governance related to BRR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The BR performance of the Company is assessed on a regular basis by the Business Responsibility Head and Whole-time Director and Chief Executive Officer, being responsible for the BR. Further, the performance is assessed at least once in a year by the Board/the Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	The Company publishes the Business Responsibility Report annually as part of the Annual Report and same is available at https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/annual-reports/DBSILAR2019-20.pdf. Also, the Company is the first sugar company to have published its Sustainability Report for two years period, i.e., 2018-2020 and same is available at https://www.dalmiasugar.com/wp-content/uploads/2021/02/DBSIL-Sustainability-Report-FY1920_.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. *Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?*

   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.

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

   During the financial year 2020-21, the Company received 103 investor complaints related inter – alia to non-receipt of annual report / dividend warrant / securities certificates after transfer / transmission / demat / duplicate issue. All complaints were resolved satisfactorily.

   Besides, two(2) 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."

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. *List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

   1. Sugar
   2. Industrial alcohol
   3. Co-generation of power
   4. Hand Sanitizer

   The design of Company's products incorporates social/ environmental concerns. The Company has bagasse-based co-generation facilities, which provide an advantage over fossil fuels as they reduce greenhouse emissions through renewable energy. The Company has invested in the optimisation of power and steam consumption, reducing additional bagasse and providing additional raw materials for enhanced operations of installed capacities.

   Earlier, effluents from sugar mills posed a challenge but with the emergence of improved effluent treatment systems, treated effluents have become a boon for farmers owing to their downstream application in land irrigation. The treated water is recycled through RO plants and substitutes fresh water. The Industrial Alcohol units hold Zero Liquid Discharge (ZLD) status with a positive impact on the environment and regional ecological balances. The effluent from sugar facilities are treated efficiently through activated sludge removal, act as a substitute for fresh water.

Responding to the need for deep cleansing and hygiene due to COVID 19, DBSIL has started manufacturing hand sanitizers at its distilleries in Uttar Pradesh and Kolhapur while distributing these pro bono to Government hospitals and the police. The Company also packed hand sanitizers in 5, 10, 20-litre bottles for commercial organisations.

During the year under review, the Company has made a decisive ₹425 Crore capital expenditure programme with the objective to enhance its distillery capacity from 305 KLPD to 600 KLPD across its Uttar Pradesh and Maharashtra operations, as a result of which surplus existed molasses could be converted profitably into ethanol.

The Company believes that by the virtue of playing an important role in helping clean the urban environment – the infusion of ethanol will help automotive engines combust fuel more completely – the sector will attract global ESG investments that could catalyse the role of fresh capacity creation, accelerating the virtuous cycle.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):*

(a) *Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?*

DBSIL's efficient production process, modern equipment and the energy management systems are outstanding. In addition, it undertakes various energy saving initiatives that reduce energy consumption as well as limit the emissions. Bagasse, a by-product of sugar production, is utilized in our co-generation plants to produce green power. DBSIL has four co-generation plants of a total 119 MW installed capacity that enable the Company to meet its energy requirements and earn revenues from the surplus power sold to the grid. Presently, about 70% 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 and preparing and implementing plans to minimize them.

DBSIL has embarked on several initiatives to minimize water consumption. In addition, to reduce our footprint on the environment, we have invested in ETPs and have achieved Zero Liquid Discharge (ZLD) at all our plants. We use the treated water for green belt development in our plants. It is also supplied to the farmers. The condensate water is reused in process and cooling application as well as green belt development.

The sugar production process produces nearly 50% water (450 - 500 liters/ton of cane crush) on cane crushed in the form of vapour condensate of 70-80 degree Celsius, out of which nearly 10% evaporates through water cooling systems like spray pond and cooling towers, while the remaining is captured within the system through recirculation, minimizing ground water extraction. All our sugar units are equipped with the latest effluent treatment plants (ETP) along with buffer storage reservoirs to avoid shock-dosing of the ETP with effluents of different pH levels and characteristics coupled with ponds for irrigation to ensure pollution control compliances. Since we are situated in the Ganga basin, we had upgraded our effluent treatment plants before others. As a result, the energy consumption in sugar production has reduced to 26.10 Kwh/MT during the season 2020-21 compared to 27.76 Kwh/MT from last season.

(b) *Reduction during usage by consumers (energy, water) has been achieved since the previous year?*

The Company makes periodic investments to reduce steam and power consumption by installing VFDs, planetary gears, power regeneration systems during braking and other technical advancements. We are equipped with the latest ETP with shock-load storage tanks and a lagoon for irrigation to ensure compliance with the norms laid down by the Pollution Control Board.

3. *Does the company have procedures in place for sustainable sourcing (including transportation)?*

(a) *If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.*

The Company has deployed sustainable procurement practices. All plants of the Company are proximate to the cane growing area. Almost 100% of 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.

4. *Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?*

(a) *If yes, what steps have been taken to improve their capacity and capability of local and small vendors?*

The Company is committed to create value for all our stakeholders and support the local communities as much as possible. It 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.

The Company connects with the growers regularly through CDAs and otherwise. It assists them amongst others in testing of soil, recommending fertilizers as required with their doses etc., rich quality seeds, irrigation practices and treatment of disease, if any.

All transportation services and stationery items, printing materials, electrical goods, sanitizers and civil items are procured from local markets. The Company shares its knowledge and expertise in sustainable agricultural practices with the farmers for cane cultivation. Alongside this, the farmers are also encouraged to increase the use of available organic formulations like vermi-composting, bio-compost, FYM, etc. They are constantly monitored and provided with judicial inputs. These activities catalyse the improvement of quality and yield of cane, benefitting farmers and the Company.

Farmers are our key stakeholder. They are not seen as a separate unit but an integral part of our value chain. We support the farmers by providing wide range expertise with respect to soil treatment, seed selection, plant protection and soil fertility. We work towards increasing farmer awareness through periodic interactions to improve farm productivity. Through such engagements, farmers are educated to strengthen cane growing culture, reduce cane loss, improve sucrose content of cane and thereby improve overall productivity to generate sustainable income.

Sustainable agricultural practices are strengthened through our Green Growth approach and are driven by farmers as well as our employees. We use this approach to improve farm productivity by introducing organic activities, providing subsidised fertilisers and educating farmers. Several measures such as soil improvement, inter cropping for nitrogen fixation, green manuring, vermi-composting have been introduced to boost sustainable practices in agriculture. Drip irrigation and improved variety of cane is planted in areas with very less water availability.

We support farmers through various subsidised services. Newly developed seeds in research stations are distributed to farmers while the cost of seeds, harvesting, loading, transportation is paid by us. Nuclear seed production program is conducted under the supervision of Uttar Pradesh Council of Sugarcane Research (UPCSR) and supported by us. Since field based agricultural activities are labour intensive, farmers are provided trench openers at subsidized rates to execute activities efficiently. While press mud is distributed to the farmers to enrich the soil, at our two locations bio-composting is done, and organic manure is distributed to farmers at subsidised rates.

5. *Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separate lyas <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.*

   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 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 recycled.

Principle 3 - Businesses should promote the well-being of all employees

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

In view of COVID19 pandemic, the Company ensured the health and well-being of workers and employees by implementing social distancing, hygiene practices, deep cleansing and work-from-home in accordance with Government guidelines.

DBSIL undertakes various employee engagement activities such as workshops, events, festival celebrations, outbounds, etc. to boost Company's cultural philosophy. The Company takes utmost care to keep the employees engaged and upgrade their skills while provide learning opportunities.

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, for implementing a 'safety first' approach. Third party safety audits are conducted periodically, post which recommendations are implemented.

DBSIL's human relations and compliance department work 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. 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.

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 self and enable them to manage challenges better. "Earlier, Dalmia's employee wellbeing programme focused 100 per cent on physical health, perhaps just 1-2 per cent on other wellbeing programmes. Now, over 30 per cent cater to emotional health.

1. *Please indicate the total number of employees.*

   The total number of employees working for the Company stood at 2469 as on 31st March, 2021.

2. *Please indicate the total number of employees hired on temporary/ contractual/ casual basis.*

   The employees hired by the Company through contractors on contractual/ casual basis from time-to-time for various types of activities (project-based activities, cleaning, unskilled labour) stood at 758 as on 31st March, 2021.

3. *Please indicate the number of permanent women employees.*

   As on 31st March, 2021, there were about 06 permanent women employees on the Company's payroll.

4. *Please indicate the number of permanent employees with disabilities.*

   As on 31st March, 2021, there were no permanent employees with disabilities working for the Company.

5. *Do you have an employee association that is recognized by the management?*

   DBSIL recognises employees need to form trade unions so that they can put forward their aspirations in a better way 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 Uttar Pradesh facilities. Interactions between senior management and trade unions are conducted periodically to maintain cordial relations.

6. *Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.*

   There was no complaint relating to child labour, forced labour, involuntary labour, sexual harassment received during the last financial year.

7. *What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?*

   100% of our permanent and contractual employees were imparted safety awareness during the last financial year, either through formal training and/or shop floor instruction. Also, various skill upgradation programs were conducted and same were attended by the permanent and contractual employees as per their respective areas of need for such training.

   We inculcate leadership, knowledge and advancement within the talent, and thus, within the organization. We identify the skills required for critical roles at each level, and impart the same in the talents. Our human capital provides us a competitive advantage. We, at DBSIL, acquire the best talents and nurture them. While transforming and expanding, we develop the potential of our human capital to provide leadership responsibilities and equip our talents with the tools to succeed in challenging environments.

   Our Leadership Learning and Change Institute, NALANDA, which is charged with the role of creating new leaders, bringing new learning and acting as agents of change for the Company. The Dalmia Technical Institute (DTI) is an arm of NALANDA, responsible for identifying knowledge gap areas through tools like performance management system, 360 degree reflect and individual development planning; and then formulating customized intervention programs to ensure career progression. One such initiative is 'Lakshya', which ensures the recognition of high potential talents and nurture them for higher roles. A productive combination of technical, behavioral and leadership interventions are provided to the talents. We conduct regular sessions on various topics like inter-alia safety, management systems, certifications, total preventive maintenance, values and ethics. We consider our talents as our most valuable assets and are committed to providing them with a safe, healthy and synergistic environment, which aligns organization goals with their individual goals.

   We also believe that a satisfied and motivated talent leads to higher service, quality and productivity that in turn leads to higher customer satisfaction. Owing to this reason, we strive to ensure talent well-being and organize regular intervention/awareness sessions on material aspects and occupational health hazards. Transparent and regular communication is the cornerstone of effective talent engagement. Our communication platform 'SPARSH' enables seamless sharing of best practices and learnings. Our monthly in-house magazine, namely 'SAMPRAK' and monthly electronic magazine 'Insider' highlights business strategy and sustainability initiatives taken by the organization. Initiatives like Anandam, Saksham and Prerna facilitates better work-life balance and well-being of our talents.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. *Has the company mapped its internal and external stakeholders?* Yes/No

   Yes.

2. *Has the company identified the disadvantaged, vulnerable and marginalized stakeholders?*

   Our CSR team constantly engages with various stakeholders including non-government organizations, educational institutions, research institutions, hospitals, trusts, etc., to identify the underprivileged communities. Within the communities, we place extra emphasis on women, children and the youth. We work extensively for the social and economic development of such communities through specifically designed programmes.

3. *Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.*

   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, supporting in setting-up farm yard manure units, vermicomposting units, providing solar operated sprayers among others. The promotion of energy-efficient cooking methods and the installation of solar lighting 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

1. *Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?*

   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. 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. 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.

2. *How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?*

   No complaint was received pertaining to human rights violation during the past financial year.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. *Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.*

   The Company's policies on respecting, promoting and restoring the environment covers all the employees of the Company and extends to the Group. The Company also encourages its vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. *Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.(need link)*

   Global environment issues such as climate change, global warming, GHG emissions pose huge concern. The Company is working extensively to bring a positive change.

   Various steps are taken to use clean energy. 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.

   Access to clean energy in rural areas is dismal compared to urban areas. We leverage innovation-based mechanisms to provide rural households with adequate sources of clean energy like cooking stoves, renewable energy solutions like solar lighting, LPG gas connections, solar mini grids and solar street lights, among others. Convincing rural people to adopt cleaner sources of energy is also very challenging task. Through constant engagement, we encourage the use of LPG in line with the national initiative of Pradhan Mantri Ujjwala Yojana.

   Also, the Company provides treated water to the farmers for irrigation purposes. We use fly ash bricks for construction purposes at plants in Maharashtra.

3. *Does the company identify and assess potential environmental risks?* Y/N

   The Company does identify and assess potential environmental risks. However, since the raw material used in sugar manufacturing is sugarcane, which is a natural product, there are no significant environmental risks.

4. *Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?*

   Yes. Steps are taken as discussed in point no. 2 above.

5. *Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.(need link)*

   Yes, 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.

6. *Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?*

   Yes, the emissions/ waste generated by the company are within the permissible limits of CPCB/ SPCB.

7. *Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.*

   No show cause /legal notices have been received from CPCB/SPCB during the financial year 2020-2021.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. *Is your company a member of any trade and chamber or association? If yes, name only the major ones that your business deals with:*

   The Company is a member of various trade, industry and chamber associations like CII, FICCI, Indian Chamber of Commerce, Bonsucro, Indian Sugar Mills Association, Uttar Pradesh Sugar Mills Association, West Indian Sugar Mills Association, UP Sugar Mills Co Gen Association, UP Distillery Association and The Sugar Technologists' Association of India, All India Distillers' Association, Co-generation Association of India, Indian Bio Gas Association, among others.

2. *Have you advocated/ lobbied through above associations for the advance mentor improvement of public good? Yes/ No; if yes, specify the broad areas (dropbox: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).*

   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.

Principle 8: Businesses should support inclusive growth and equitable development

1. *Did the Company specify programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.*

   The Company has specified various programmes/ initiatives/ projects which are largely being undertaken through Dalmia Bharat Foundation ('DBF'). DBF is a registered non-profit organization set up by the Company in 2009 in order to carry out the programmes and projects of Dalmia Bharat Group's CSR division.

   DBSIL, through its CSR initiatives, reached out to a total population of 3.29 lakh villagers spread across 203 Villages around its operational areas in the states of Maharashtra and Uttar Pradesh.

   Details of projects are as under:

   Livelihood

   Our initiatives in skill development benefitted 2,018 families, resulting in an average increase of ₹60,000 per year for each beneficiary.

   Livelihood projects: DIKSHa (Dalmia Institute of Knowledge and Skills Harnessing) was set up at two locations in the state of Uttar Pradesh. 261 trainees completed their training and 210 trainees were undergoing training on 31st March, 2021 at Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa). The number remained low in FY21 because of closure of Centers for a few months due to COVID-19 Pandemic. 137 trainees have been successfully placed and others are in the process of placement. The starting salary of our trainees range between INR 8,000 and INR 10,000 per month.

We are now partnering with National Bank for Agriculture and Rural Development, National Scheduled Castes Finance and Development Corporation, National Backward Classes Finance and Development Corporation, BOSCH and Schneider Electric.

Livestock breed improvement: For improving the quality and productivity of the livestock, the Company has engaged with a professional organisation to work with the villagers in operational projects in the districts of Sitapur and Shahjahanpur in Uttar Pradesh.

- 901 calves were born, which included 507 female calves and 394 male calves and other 1029 cows and buffaloes were pregnant
- 2,488 cows and buffaloes were artificially inseminated
- 1557 farmers participated in awareness meetings

Self-help groups (SHGs): The Company continued to work with 2,375 marginalised women, who were sent to 216 SHGs across the operational areas in the State of Maharashtra and Uttar Pradesh. Owing to this, the women collectively have been able to save around ₹70 lakh as their corpus and are earning an additional income of ₹2500 per month through income generation activities.

Moonj craft: Moonj artisans undergoing training through Mon Ami Foundation to enhance capabilities, and on establishing marketing linkages for enhancement of income. 60 women were gainfully employed and continue to earn an average salary of around ₹4000 per month.

Climate Action – Water / Energy

Water Conservation / Harvesting initiatives

Our initiatives enabled additional water harvesting and savings of 12.22 lakh m3 of water this year through location-specific water conservation measures.

34 village ponds were renovated, paving way for the conservation of almost 2.56 lakh m3 of water, benefiting more than 2010 individuals. And to ensure effective management of run-off water inter linking of 9 village ponds were taken-up in Mahsui and Korona Villages in Ramgarh location.

Drip Irrigation was implemented across 69.25 acres, benefiting 85 villagers in Kolhapur & Sitapur district, saving 2.70 lakh m3 of water and generating additional earnings of ₹14000 per acre.

75 defunct bore well were converted in to bore well recharge structures creating an annual potential harvesting of 6.96 lakh m3.

567 vermicomposting units were set-up benefitting 547 sugarcane cultivators and 948 farm yard manure units were set-up benefitting 944 sugarcane cultivators.

Partnership with 2030 Water Resource Group (2030WRG)

An engagement with 2030 Water Resources Group for Participatory Rural Agricultural Advancement through Increased Incomes (PRAGATI) Project has been incorporated in selected region of UP. Through this project, 2030WRG and Dalmia Bharat Foundation are working jointly on a multi-stakeholder platform to ensure water security in Gondlamau Development Block of Sitapur District. Geo-hydrological surveys are underway to complete the water budgeting of the selected Gram Panchyats in Gondlamau Block.

Avenue plantation was taken up by planting 2850 saplings around the operational villages in Uttar Pradesh.

Sustainable sugarcane initiative

A pilot project in improved sugarcane cultivation is being implemented in Sitapur in Uttar Pradesh. The project intends to disseminate the knowledge of best practices among sugarcane cultivators and set up demonstration plots for practical learning and its replication among the farmers. The Company shortlisted 100 farmers from 20 villages to work with clear deliverables based on the principle of sustainable sugarcane cultivation.

Access to clean energy

Our initiatives ensured access to clean cooking and lighting solutions to 282 villagers in the areas of operation in Uttar Pradesh. And 1358 families were supported to own solar operated battery sprayers.

Solar-powered pumping solutions installed during last financial year in two locations in Uttar Pradesh, continue helping more than 250 villagers to irrigate as well as cultivate their land. This initiative has aided in an incremental increase in earnings of ₹10,000 for the beneficiaries.

Social Infrastructure

The Company reached out to around 30,000 villagers across the project locations and need-based projects were taken-up / facilitated to ensure that the basic needs of the communities were met.

World on Wheels project: This partnership project, in collaboration with HP India, helped the Company reach out to nearly 130 villagers across two districts in Maharashtra and Uttar Pradesh. It reached out to school children, youth, women, farmers and senior citizens, educating them on digital literacy, government schemes, employment-linked training and improved farming practises.

Open defecation-free villages: The Company worked closely with district officials and communities in the state of Uttar Pradesh and facilitated the construction of 18 ISLs, which benefited around 90 villagers.

Happy School Project: The Company worked with 46 institutions, including both schools and 'Anganwadis' to improve their infrastructural facility. 19 schools were covered under the Seekho Sekhao Project benefitting nearly 2,172 school children.

In continuation to the on-going response to the COVID-19 pandemic, Dalmia Cement Plants has been actively supporting the local community through its various CSR interventions.

- 14,000 N95 masks were provided to frontline workers.
- Over 20+ awareness rallies were conducted highlighting the importance of hand washing and wearing of masks reaching out to nearly 3,000 villagers.
- More than 4,000 families were provided with dry ration. And 11,000 bottles of hand sanitizers were distributed to the Police, Health Department staff, few other Govt. departments.

Observing national and international days: The Company conducted regular awareness programmes to educate the community about the days of social importance.

2. *Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/any other organization?*

   The projects are implemented by DBF through its team of qualified professionals. DBF also partners with like-minded institutions for undertaking projects focused on livelihood, climate action – water/energy, and social infrastructure.

   Our programmes combine in-depth long-term plans and strategies along with medium and short-term initiatives and campaigns. Due to the prevailing differences across our locations, we adopt a flexible, multi-interventional approach that allows programmes and people to grow towards sustainability. We have four focus areas, which have been derived from the needs of the community and issues related to the business.

3. *Have you done any impact assessment of your initiative?*

   Yes, we do 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.

4. *What is your company's direct contribution to community development projects -Amount in INR and the details of the projects undertaken?*

   During the financial year 2020-21, the Company has spent an amount of ₹3.87 Crore on its CSR activities. The details of projects and related expenditure by the Company are provided in the annual report in the CSR activities section of the Directors' Report.

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.*

   Through DBF's mission of 'To facilitate the stakeholders hasten the social capital, economic and environment progress through effective management of human and natural capital' it acts as a facilitator of change through active participation of the community as partakers in development and not as end-beneficiary.

Every project initiated by DBF has an in-built focus on engagement with the community from identification, execution and sustenance of projects through the established social capital.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. *What percentage of customer complaints/ consumer cases are pending as on the end of financial year.*

   The Company successfully resolved all the complaints received during the financial year ended 31st March, 2021 and no complaint is pending.

2. *Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information).*

   Yes. The applicable product information, wherever it is sold in packages, is displayed. Besides, the Company complies with the regulations as provided in the Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. *Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide details thereof, in about 50 words or so.*

   No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. *Did your company carry out any consumer survey/ consumer satisfaction trends?*

   The Company remains in regular touch with the customers and resolves their issues, if any, on priority basis. The Company has been receiving repeat orders from same customers which evidences customer satisfaction. However, no formal survey was carried out during the year under review.

For and on behalf of the Board of Directors

Gautam Dalmia
Managing Director

Bharat Bhushan Mehta
Whole Time Director and CEO

Dated: July 30, 2021
Place: New Delhi

Financial Statements

Independent Auditors' 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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to standalone financial statements including a summary of the 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 ("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 Companies (Indian Accounting Standards) Rules, 2015, as amended thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows 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 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 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 (ICAI) 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 be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims. During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognised subsidy claims amounting to ₹189.66 crores. We considered this as key audit matter because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty in relation to the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims. For details: - Refer Note No. 39 (a) to the Financial Statements.	Principal Audit Procedures 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. 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. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. 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. The company has recognized the subsidy to the extent the company has complied with relevant notifications. 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.

Sr. No.	Key Audit Matters	Auditor's Response
2.	**Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021** As on March 31, 2021, the Company has inventory of sugar with the carrying value ₹1,187.87 Crores. The inventory of sugar is valued at the lower of cost and net realizable value. 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. For details: - Refer Note No 8 & 35 to the Financial Statements.	**Principal Audit Procedures** 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. 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. 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. 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. For the purpose of determination of cost, the Company has considered the prevailing market conditions. 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.
3.	**Change in method of depreciation** During the year, the management has reviewed the pattern of accrual of benefits along with the commensurate depreciation method which should be followed to depreciate its 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. Due to this change the depreciation for the year ended 31st March 2021 is higher by ₹35.27 crores. We have considered the change in method of depreciation as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved. Refer note 4 of the standalone financial statements	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by the management in determination of change in method of depreciation and accordingly the revised depreciation has been calculated based on the original useful life taking into account written down value method. Assessing the appropriateness of Company's accounting policy for depreciation of plant and machinery and compliance of the policy with the requirements of the prevailing accounting standards. For the purpose of determination of cost, the Company has considered the pattern of accrual of benefits. Based on the above procedures performed, the management's determination of change in method of depreciation and its computation is considered to be reasonable.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibilities 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, total comprehensive income, changes in equity and cash flows of the

Company 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.

This responsibility also includes 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; 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 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.

The Board of Directors is 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 scepticism 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 financial 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 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 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 standalone 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, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "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, 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 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 other comprehensive income, the statement of cash flows and the 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;

   e. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; 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:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone Ind AS financial statements – Refer Note 31 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; and

      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, 2021.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 21095541AAAAFC8971

Place: New Delhi
Date: May 24, 2021

Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited on its standalone financial statements dated May 24, 2021.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("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.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies have duly been adjusted in the financials.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except for 2.79 acres (having gross block and net block of ₹0.13 Crores) of land at Salem for which all dues for transfer of land in favour of the Company have been paid and transfer of title in the name of company is awaited.

ii. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business except for goods-in-transit and stocks lying with third parties including stock at port. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods in-transit including port stock, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. In view of the lockdown restriction imposed by the Government, our attendance at the physical inventory verification done by the management was impracticable. Related alternate audit procedures were therefore relied upon to obtain assurance over the existence and condition of inventory at the year end.

iii. (a) The Company has granted unsecured loans to a company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans is not prejudicial to the interest of the Company.

(b) The Company has granted loans re-payable on demand to party covered in the register maintained under section 189 of the Act. As per information and explanations given to us the company has not demanded repayment of such loans during the year and thus there is no default on these loans and advances. The payment of interest has been regular as per the contractual terms.

(c) Since there is no overdue amount as on the date, the relevant reporting is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and advances given and investments made. There were no loans granted during the year under section 185 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 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 statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2021 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, there are no dues of income tax, duty of customs, goods and service tax, cess & value added tax which have not been deposited on account of any dispute, except dues of service tax, duty of excise and sales tax along with the forum where the dispute is pending as follows:

Name of Statue	Nature of dues	Forum where dispute is pending	Period for which the amount relates	Amount (in ₹ Crores)*
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Assistant Commissioner, LTU, Delhi.	2012 to 2015	0.29
Central Excise Act, 1944	Demand of duty on sale of Electricity.	CESTAT, Delhi	April 2010 to June 2010	1.64
Central Excise Act, 1944	Demand of duty on storage loss of R.S. and ENA.	CESTAT, Delhi	December 2009 to March 2010	0.01
Central Excise Act, 1944	Denial of cenvat credit on M.S. Pipes, MS Angles, Steel, Channels, Aluminium Sheets, Bars & Rods, etc.	High Court, Allahabad	June 2005 to September 2005	0.04
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner (A) , LTU	April 2011 to July 2014	0.18
Central Excise Act, 1944	Demand of Interest on reversal of credit taken on Cement.	Dy. Commissioner	March 2006 to March 2007	0.06
Central Excise Act, 1944	Denial of credit on Welding Electrodes.	Commissioner(A)	December 2009 to March 2010	0.01
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner(A)	April 2010 to July 2014	0.47
Finance Act, 1994	Demand of Service tax on Commissioning & Installation charges.	Dy. Commissioner	2006-07 & 2007-08	0.03
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Commissioner (A)	2012 to 2015	0.36
Finance Act, 1994	Demand of Service tax on the Commission paid by Galilio on their system.	Dy. Commissioner	December 2008 to September 2009	0.02
Central Excise Act, 1944	Denial of Cenvat Credit to erstwhile SDSSKL	Rev. Authority	2004-2005	0.13
Finance Act, 1994	Demand of Service tax on reimbursement of expenses received from various banks for the dividend a/c under Reverse charge mechanism.	Additional Commissioner LTU, New Delhi	2013-14	0.05
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal)	2006-2007	0.11
Central Sales Tax	Entry tax demand	High Court, Allahabad	2000-2001	0.03
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal) Lucknow	2012-13	0.12
Central Sales Tax	CST demand	1st Appeal, Lucknow	2015-16	0.17

*Net of amount deposited.

viii. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of its dues to a financial institution, banks and Government. The Company has not taken any loans from debenture holders.

ix. According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

xiv. As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Act are not applicable.

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.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 21095541AAAAFC8971

Place: New Delhi
Date: May 24, 2021

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, 2021.

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 1(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, 2021 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 Act.

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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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

c) 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, 2021, 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
Membership No: 095541
UDIN: - 21095541AAAAFC8971

Place: New Delhi
Date: May 24, 2021

Standalone Balance Sheet as at March 31, 2021

(₹ in crores)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	1,307.81	1,352.43
b) Capital work - in - progress	4	27.13	6.18
c) Intangible assets	4	0.22	0.35
d) Financial assets	5		
i) Investments	(i)	462.09	252.55
ii) Loans	(ii)	25.86	26.19
iii) Others	(iii)	0.43	0.45
e) Income tax assets (net)	6	3.35	19.16
f) Other non-current assets	7	21.65	2.67
Total Non-current assets		1,848.54	1,659.98
B) Current assets			
a) Inventories	8	1,374.95	1,329.21
b) Financial Assets	9		
i) Investments	(i)	101.39	194.33
ii) Trade receivables	(ii)	115.26	169.79
iii) Cash and cash equivalents	(iii)	71.00	52.92
iv) Bank Balances other than (iii) above	(iv)	8.49	14.11
v) Loans	(v)	1.93	0.76
vi) Others	(vi)	43.64	46.68
c) Other current assets	10	111.65	59.80
d) Assets held for sales		0.08	0.08
Total Current assets		1,828.39	1867.68
Total Assets		3,676.93	3527.66
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	16.19	16.19
b) Other equity	12	2,073.55	1,592.32
Total Equity		2089.74	1608.51
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	226.64	424.39
ii) Others	(ii)	3.24	3.67
b) Provisions	14	33.11	29.43
c) Deferred tax liabilities (net)	15	140.98	101.70
d) Other non current liabilities	16	8.52	12.34
Total Non- current liabilities		412.49	571.53
Current liabilities			
a) Financial liabilities	17		
i) Borrowings	(i)	689.27	768.21
ii) Trade payables	(ii)		
Due to MSME		2.66	1.52
Others		303.08	392.23
iii) Others	(iii)	70.75	121.43
b) Other current liabilities	18	65.84	58.90
c) Income Tax liabilities(Net)		37.48	-
d) Provisions	19	5.62	5.33
Total Current liabilities		1,174.70	1347.62
Total equity & liabilities		3,676.93	3527.66
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		

The accompanying note no. 1 to 53 are integral part of these standalone financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T. D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Standalone statement of profit and loss for the year ended March 31, 2021

(₹ in crores)

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. REVENUE			
Revenue from operations	20	2685.78	2110.79
Other income	21	53.37	60.89
Total Revenue (I)		**2739.15**	**2171.68**
II. EXPENSES			
Cost of raw materials consumed	22	1873.84	1631.46
Change in inventories of finished goods and work in progress	23	(45.14)	(224.49)
Employee benefits expense	24	143.72	133.64
Finance costs	25	61.86	88.38
Depreciation and amortization expense	4 & 26	95.55	57.23
Other expenses	27	241.88	233.51
Total Expenses (II)		**2371.71**	**1919.73**
Profit/(loss) before exceptional items and tax		**367.44**	**251.95**
Exceptional items		0.00	0.00
Profit/(loss) before tax		**367.44**	**251.95**
Tax expense:	28		
Current tax		101.25	47.83
Deferred tax		(3.31)	6.11
Total of tax expense		**97.94**	**53.94**
Profit/(loss) for the year from continuing operations		**269.50**	**198.01**
Other comprehensive income	29		
a. i) Items that will not be reclassified to profit/(loss)		206.61	(95.59)
ii) Income tax relating to items that will not be reclassified to profit/(loss)		(4.68)	0.41
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		15.07	(13.74)
ii) Income tax relating to items that will be reclassified to profit/(loss)		(5.27)	4.80
Total comprehensive income for the year (net of taxes)		**481.23**	**93.89**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		33.30	24.46
Diluted (in ₹)		33.30	24.46
[Face value of share ₹ 2 each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

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Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Standalone statement of cash flows for the year ended March 31, 2021

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**367.44**	**251.95**
Adjustments for Non-cash and Non -operating items:-		
Add:-		
Depreciation / Amortization and impairment	95.55	57.23
Provision for doubtful debts/ advances	0.04	0.00
Provision for non moving inventory	2.50	0.30
Bad Debts/ Advances written off	0.13	0.11
Finance Cost	61.86	88.38
Less:-		
Dividend Income	0.00	(0.79)
Interest Income	(9.44)	(7.08)
Provision for doubtful debts written back	(0.45)	0.00
(Profit)/Loss on sale of Investments	(12.13)	(0.77)
Changes in Fair Value of Investments	(4.58)	(5.34)
(Profit)/Loss on sale of property, plant & equipment and Assets written off	0.12	1.25
Grant amortized	(16.77)	(37.85)
Operating Profit before working Capital Changes	**484.27**	**347.39**
Adjustments for working Capital changes :		
Inventories	(48.23)	(234.42)
Trade and Other Payables	(89.79)	146.72
Trade and Other Receivables	6.87	(6.04)
Cash Generated from Operations	**353.12**	**253.65**
Direct Taxes (Paid)/Refund	(7.15)	(44.34)
Net Cash generated from operating activities	**345.97**	**209.31**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(71.88)	(90.37)
(Purchase)/ Sale of Investments	107.11	(246.75)
Interest Received	1.26	7.08
Dividend Received from Non Current Investments	0.00	0.79
Net Cash used in Investing Activities	**36.49**	**(329.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short term Borrowings (net)	(78.93)	251.21
Proceeds/(Repayment) of Long term Borrowings (net)	(240.35)	(18.49)
Finance Cost	(45.10)	(52.34)
Dividend Paid	0.00	(29.14)
Corporate Dividend tax paid	0.00	(5.99)
Net cash used in financing activities	**(364.38)**	**145.25**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**18.08**	**25.31**
Cash and cash equivalents at the beginning of the year	52.92	27.61
Cash and cash equivalents at the end of the year	71.00	52.92

Standalone statement of cash flows for the year ended March 31, 2021

(₹ in crores)

Components of Cash & Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Cash on hand	0.17	0.27
Cheques, drafts on hand	0.00	0.15
Balances with banks	70.83	52.50
Net Cash & Cash Equivalents	**71.00**	**52.92**

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 53 are integral part of these Standalone financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
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DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Standalone statement of changes in equity for the year ended March 31, 2021

A. Equity Share Capital

(₹ in crores)

	As at March 31,2021	Changes during the year	As at March 31,2020	Changes during the year	As at April 01,2019
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ 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, 2019	4.07	1304.77	52.54	176.71	1.02	(5.55)	1533.56
Movement during FY 2019-20							
Dividends including Dividend distribution tax paid during the year		(35.13)					(35.13)
Profit for the year		198.01					198.01
Other comprehensive income				(94.42)	(8.94)	(0.76)	(104.12)
Balances as at March 31, 2020	**4.07**	**1467.65**	**52.54**	**82.29**	**(7.92)**	**(6.31)**	**1592.32**
Movement during FY 2020-21							
Profit for the year		269.50	-				269.50
Other comprehensive income				202.18	9.80	(0.25)	211.73
Balances as at March 31, 2021	**4.07**	**1737.15**	**52.54**	**284.47**	**1.88**	**(6.56)**	**2073.55**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 53 are integral part of these Standalone financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

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W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Notes to Standalone Financial Statements for the year ended March 31, 2021

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 (₹).

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, 2021.

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:

(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.

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, 2021

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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

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.

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, 2021

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 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

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.

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

Notes to Standalone Financial Statements for the year ended March 31, 2021

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 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

a. 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.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

d. 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. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though 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.

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

Notes to Standalone Financial Statements for the year ended March 31, 2021

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 Liabilty

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

Notes to Standalone Financial Statements for the year ended March 31, 2021

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.

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.

L. 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

M. 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 includes excise duty 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.

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) amended rules, 2018 ("Amended Rules"). As per amended rules, Ind AS 115 "Revenue from Contracts with Customers" supersedes Ind AS 11, "Construction Contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

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.

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. 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 and treated as capital receipt.

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 provides services in the normal course of business.

However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), 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

Notes to Standalone Financial Statements for the year ended March 31, 2021

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).

O. 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.

P. 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Q. 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 settled 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.

R. 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.

S. 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

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.

T. Amendments to the Schedule III of the Companies Act, 2013

(New and amended disclosures, not yet effective)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are: -

A. Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

4 Property plant & equipment, intangible assets & capital work in progress.

(₹ in crores)

Particulars	Tangible Assets								Intangible Assets			Total
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	
Cost or revalued amount												
as at 01 April,2019	582.29	0.58	197.71	1,344.10	8.40	5.47	5.13	2,143.66	3.64	2.01	5.65	2,149.32
Additions	0.31	-	2.68	93.96	0.35	0.40	0.86	98.57	-	0.19	0.19	98.76
Disposals	0.56	-	0.20	8.77	0.09	0.18	0.23	10.04	-	-	-	10.04
as at 31st March,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	2,287.81
Depreciation and amortisation												
as at 01 April,2019	0.01	0.17	75.24	739.24	6.42	2.61	4.33	828.05	3.62	1.51	5.13	833.19
Charge for the year	-	-	5.71	49.82	0.33	0.60	0.40	56.86	0.02	0.34	0.36	57.23
Disposals	-	-	0.04	4.66	0.06	0.18	0.23	5.16			-	5.16
as at 31st March,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
Net Block												
as at 31st March,2020	582.02	0.41	119.27	644.89	1.95	2.65	1.26	1,352.43	0.00	0.35	0.35	1,352.78
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
Capital Work in Progress*												
as at 31st March,2020												6.18
as at 31st March,2021												27.13

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

* Includes preoperative expenditure pending capitalisation of ₹ 0.14 Crore (NIL) (refer note no. 42)

Includes immovable property for 2.79 acres (2.79 acres) of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

@During the 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. In cogeneration segment, the company is already following WDV method. Post this change the company will follow the uniform method for Sugar, Cogen and distillery segments' plant & machinery till further review. Due to this change the depreciation for the quarter and year ended 31st March 2021 is higher by ₹ 35.27 Crore.

Notes to Standalone Financial Statements for the year ended March 31, 2021

5. Non-current financial assets

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
5 (i). Investments				
A. Quoted				
Equity Shares Carried at Fair Value through OCI				
1885134(1885134) equity shares of ₹10 each fully paid up in Dalmia Bharat Limited. (formerly known as Odisha Cement Limited.)		299.17		92.18
B. Unquoted				
(i) Investments in Subsidiaries (Carried at Cost)*				
Equity Shares				
450000(450000) Equity shares of ₹10 each fully paid up in Himshikhar Investment Limited		4.45		4.45
Optionally Convertible Debentures				
15 Crore (15 Crore) Debentures of face value of ₹10 each, coupon rate - 0%, convertible at the option of Himshikhar Investment Limited into 10 Crore Equity shares of ₹10 each at a premium of 50% or can be redeemed at a premium of 5%		150.00		150.00
*Refer Note No. 43(c)				
(ii) Investment in Bonds (Carried at amortised Cost)				
8.99% Bank of Baroda Bonds		2.05		0.00
9.55% Canara Bank (Perp.) Bonds		5.39		5.39
8.10% HUDCO Bonds		0.53		0.53
7.74% SBI Perpetual Bonds		0.50		0.00
(iii) Others*				
Shares of Co-operative Socities (Unquoted)				
DMC Employees Co-op Stores Limited		((2500))		((2500))
Government or Trust Securities (Unquoted)				
National Saving Certificates		((2000))		((2000))
		462.09		**252.55**
Aggregate amount of quoted investments and market value thereof		299.17		92.18
Aggregate amount of unquoted investments		162.92		160.37
Aggregate amount of impairment in value of investments		0.00		0.00
* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.				
5 (ii). Loans				
(Unsecured, considered good unless stated otherwise)				
Security deposits		2.11		2.43
Others		23.75		23.76
(Considered doubtful)				
Others	0.28		0.28	
Less : Allowance for bad and doubtful advances	0.28	0.00	0.28	0.00
		25.86		**26.19**
5 (iii). Others				
Fixed deposits with banks (earmarked)		0.43		0.45
(with remaining maturity of more than 12 months)				
		0.43		**0.45**

Notes to Standalone Financial Statements for the year ended March 31, 2021

6. Income Tax Assets (Net)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Pre paid Taxes	163.15	151.05
Less: Provision for taxes	(159.80)	(131.89)
	3.35	**19.16**

7. Other non current assets

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless stated otherwise)		
Capital advances	19.46	0.81
Advances other than capital advances	1.14	0.75
Balances with Government departments under protest	1.05	1.11
	21.65	**2.67**

8. Inventories

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Refer Note No. 3(J))(As taken, valued and certified by the management)		
Raw materials	39.43	30.03
Work in progress	13.05	12.71
Finished goods (including by-products and goods in transit) * (Refer Note no.35)@	1303.73	1258.94
Stores, spare & others#	18.74	27.53
	1374.95	**1329.21**

* after considering write down of ₹35.27 Crore (₹37.27 Crore) 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 ₹3.52 Crore (₹1.17 Crore)

@includes material in transit ₹2.36 Crore (NIL)

9. Current financial assets

9 (i). Investments

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds (quoted)		
(Carried at Fair Value through profit and loss)		
Debt based schemes	101.39	194.33
Total	**101.39**	**194.33**
Aggregate amount of quoted investments and market value thereof	101.39	194.33
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

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	115.26	169.79
Considered Doubtful	0.00	0.45
Less : Allowance for bad and doubtful debts	0.00	(0.45)
	115.26	**169.79**

Notes to Standalone Financial Statements for the year ended March 31, 2021

9. Current financial assets (Cont.)

9 (iii). Cash and cash equivalents

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.17	0.27
Cheques, drafts on hand	0.00	0.15
Balance with banks	70.83	52.50
	71.00	**52.92**

9 (iv). Bank balances other than cash & cash equivalents

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
- Deposits with original maturity of more than 3 months but less than 12 months*	7.73	13.47
- Earmarked balances with banks (Unpaid dividend accounts)	0.76	0.64
	8.49	**14.11**

*including earmarked balances of ₹0.66 Crore (₹0.46 Crore)

9 (v). Loans

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Loans to related parties (Refer note no. 43(a) & 44)	1.50	0.00
Others		
Loans to employees	0.43	0.76
	1.93	**0.76**

9 (vi). Others

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Interest receivable*	0.30	2.07
Buffer subsidy and Interest subvention receivable	26.00	28.15
Unbilled revenue	17.12	16.30
Others	0.22	0.16
	43.64	**46.68**

* Includes interest recoverable amounting ₹0.00Cr(₹1.68 Crore) from Himshikhar Investment Limited.

10. Other current assets

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Advances other than capital advances		
Production/Export Subsidy Receivable	84.20	49.45
Deposit and Balances with Government departments and other authorities	8.85	3.35
Other advances	18.60	7.00
	111.65	**59.80**

Notes to Standalone Financial Statements for the year ended March 31, 2021

11. Equity Share capital

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of ₹2/- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹2/- each	17.05	17.05
	40.00	40.00
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) ordinary equity shares of ₹2/- each	16.19	16.19
	16.19	16.19

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
At the beginning of the year	80,939,303	16.19	80,939,303	16.19
Changes during the year	-	-	-	-
At the end of the year	80,939,303	16.19	80,939,303	16.19

(b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of ₹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.

(c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	35,875,223	44.32%	35,875,223	44.32%
Dalmia Bharat Limited(Formerly known as Odisha Cement Limited)	14,829,764	18.32%	14,829,764	18.32%
Vanika Commercial and Holdings Private Limited.	8,687,305	10.73%	8,687,305	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) Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have proposed a final dividend of ₹3 per share @ 150% (face value of ₹2 each) in respect of the year ended March 31, 2021 (₹2 per share @ 100% in FY 2019-20) subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹24.27 Crore (₹19.52 Crore including distribution tax).

Notes to Standalone Financial Statements for the year ended March 31, 2021

12. Other Equity

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Reserve & Surplus		
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Changes during the year	0.00	0.00
Closing balance	**4.07**	**4.07**
General reserve		
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	**52.54**	**52.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1467.65	1304.77
Profit for the year	269.50	198.01
Less: appropriations		
(i) Transfer to general reserve	0.00	0.00
(ii) Final/Interim dividend on ordinary shares	0.00	(29.14)
(iii) Dividend distribution tax	0.00	(5.99)
Total appropriations	**0.00**	**(35.13)**
Net surplus in the statement of profit and loss	**1737.15**	**1467.65**
Total reserves and surplus	**1793.76**	**1524.26**
Other Comprehensive Income		
Opening Balance	68.06	172.18
Addition/(reduction) during the year	211.73	(104.12)
Closing Balance	**279.79**	**68.06**
Total Other Equity	**2073.55**	**1592.32**

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 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.

3 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.

4 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.

13. Non current financial liabilities

13 (i). Borrowings

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
Secured				
Term loans:				
i. From banks	162.98		370.36	
Less: Shown in current maturities of long term borrowings	8.93	154.05	51.61	318.75
ii. From other parties (including Government)	105.64		138.62	
Less: Shown in current maturities of long term borrowings	33.05	72.59	32.98	105.64
(Refer note no. 17(iii) for current maturities)		**226.64**		**424.39**

Notes to Standalone Financial Statements for the year ended March 31, 2021

13. Non current financial liabilities (Cont.)

(₹ in crores)

S. No.	Particulars	As at 31st, March 2021	As at 31st, March 2020	Fixed/Fluctuating	Rate of interest
Non Current Borrowings					
A)	From Bank				
a)	Punjab National Bank				
	Soft Loan for cane payment	-	13.09	Fluctuating	Base Rate+1.75%
b)	HDFC Term Loan for capital expenditure	-	0.00	Fluctuating	One year MCLR+0.80%
c)	Axis Bank soft loan for payment of cane dues	-	194.28	Fluctuating	One year MCLR+0.35%
d)	Axis Bank for capital expenditure	64.15	64.16	Fluctuating	One year MCLR+0.75%, Presently 7.50%
e)	HDFC Term Loan for Nigohi Distillery	50.00	50.00	Fluctuating	60bps over 1year MCLR,Presently 7.20%
f)	HDFC Term Loan for Jawaharpur Distillery Expansion	10.83	10.83	Fluctuating	60 bps over 1year MCLR,Presently 7.20%
g)	HDFC Term Loan for Jawaharpur Distillery Incineration Boiler	38.00	38.00	Fluctuating	60 bps over 1year MCLR,Presently 7.20%
	Total	**162.98**	**370.36**		
B)	From Others				
a)	Sugar Development Fund Loans	18.18	26.21	Fixed	4.75% to 5.75%
b)	Soft loan from UP Government (SEFASU 2018 Scheme)	95.04	125.06	Fixed	5% Simple Interest
	Notional reduction in loan balances due to IND AS adjustments	(7.58)	(12.65)		
	Total	105.64	138.62		
	G Total	**268.62**	**508.98**		

Nature of securities, Interest & repayment terms.

A) Details of Loans taken from Banks:-

a) PNB soft loan for cane payment is secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017.

b) HDFC Term loan , is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

c) Axis Bank soft loan,is secured by first pair passu charge by way of hypothication on all movable fixed asset of kolhapur Plant,repayable in 16 equal quaterly installments starting from after one year Monotorium starting from May'20. This loan is fully paid during the FY ended 31st March 2021.

d) Axis Bank Term Loan is 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. Repayments scheduled to be paid this year were prepaid in the preceeding years.

e) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Nigohi Plant payable in 40 equal quarterly installments starting from May'21.

f) HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Jawaharpur Plant payable in 40 equal quarterly installments starting from May'21.

g) HDFC Bank Term Loan for Jawaharpur distillery Incinertion boiler is secured by first pari passu charge through hypothecation on movable fixed asset of Incinerator Boiler at Jawaharpur Plant payable in 40 equal quarterly installments starting from Aug'21.

Notes to Standalone Financial Statements for the year ended March 31, 2021

13. Non current financial liabilities (Cont.)

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.

13 (ii). Others

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost:-		
Other liabilities	3.24	3.67
	3.24	**3.67**

14. Non current provisions

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	33.11	29.43
	33.11	**29.43**

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2021 and movement during the year 2020-21.

(₹ in crores)

	As at March 31, 2021	Recognised in statement of profit & loss/MAT credit utilized	Recognised in other comprehensive income	As at March 31, 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)
Net Deferred tax liability / (asset)	140.98	29.31	9.96	101.70

B) Major components of deferred tax liabilities as on 31 March 2020 and movement during the year 2019-20.

(₹ in crores)

	As at March 31, 2020	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at March 31, 2019
Property, plant & equipment including fair valuation of land	237.37	6.54		230.83
Others	10.37	0.76		9.61
Expenses allowed on payment basis	(16.43)	(1.19)	(5.21)	(10.03)
MAT Credit Entitlement	(129.61)	3.69		(133.30)
Net Deferred tax liability / (asset)	101.70	9.80	(5.21)	97.11

Notes to Standalone Financial Statements for the year ended March 31, 2021

16. Other non current liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Government Grant	8.52	12.34
(Refer note no. 39 for movement during the year)	**8.52**	**12.34**

17. Current financial liabilities

17 (i). Borrowings

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Secured		
loans from banks		
Working capital/short term loans	590.00	530.28
Commercial Papers	0.00	138.88
Cash credit	0.09	0.13
Unsecured, from others		
Commercial Papers	99.18	98.92
	689.27	**768.21**

(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 fixed interest in the range of 4.0% to 4.15%.

(ii) Commercial Papers issued were repayable during next one year and carry fixed interest in the range of 4.40%- 4.50%.

(iii) Cash credit limit is secure by hypothecation of inventories and trade receivables in favour of bank ranking pari passu on inter-se-basis,carrying interest rate as per 1 Year MCLR+0.8% with annual reset.Presently 8.15%.

17 (ii). Trade payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Trade Payables		
- Micro and small enterprises *	2.66	1.52
- Others	303.08	392.23
	305.74	**393.75**

* 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. 34)

17 (iii). Other financial liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term borrowings	41.99	84.59
Interest accrued but not due on borrowings	6.93	6.59
Unclaimed dividend *	0.76	0.64
Others:-		
Accrued salaries & benefits	3.49	1.30
Capital Creditors	10.05	8.22
Security deposits received	3.69	3.26
Others	3.84	16.83
	70.75	**121.43**

Notes to Standalone Financial Statements for the year ended March 31, 2021

* 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

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Advances from customers	14.61	21.34
Statutory dues	7.55	7.03
Government grant (refer note no. 39 for movement during the year.)	3.80	4.20
Others	39.88	26.33
	65.84	**58.90**

19. Provisions (current)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	5.62	5.33
	5.62	**5.33**

20. Revenue from operations

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of products		
Sugar and allied products	1908.11	1568.58
Power	140.58	151.95
Distillery	437.60	295.19
Others	8.39	12.73
	2494.68	**2028.45**
Sales of services	0.51	2.43
Other Operating Revenue		
REC Sales	0.48	3.68
Production Subsidy by Central Government (refer note no. 39)	0.00	71.56
Export Subsidy by Central Government (refer note no. 39)	189.66	4.55
Others	0.45	0.12
	2685.78	**2110.79**

21. Other income

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income from non current investment	0.00	0.79
Interest Income from bank deposits and others	9.44	7.08
Profit on sale of current investments	12.13	0.77
Profit on changes in Fair valuation of investments (net of losses)	4.58	5.34
Gain on foreign exchange fluctuation (net of losses)	0.00	2.01
Government Grant (refer note no. 39)	16.77	37.85
Miscellaneous receipts	10.45	7.05
	53.37	**60.89**

Notes to Standalone Financial Statements for the year ended March 31, 2021

22. Cost of raw materials consumed

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sugar Cane & Molasses	1850.71	1594.48
Raw Magnesite	0.86	1.29
Others	22.27	35.69
	1873.84	**1631.46**

23. Changes in inventories of finished goods, work in progress

(₹ in crores)

	For the year ended March 31, 2021		For the year ended March 31, 2020	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	1303.73		1258.94	
- Opening stock	1258.94		1035.93	
		(44.79)		(223.01)
Work-in-process				
- Closing stock	13.06		12.71	
- Opening stock	12.71		11.23	
		(0.35)		(1.48)
		(45.14)		**(224.49)**

24. Employee benefits expense

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus and other payments	129.54	117.81
Contribution to provident fund and other funds	11.52	11.02
Workmen and staff welfare expenses	2.66	4.93
	143.72	**133.76**
Less:Employee cost captalised	0.00	0.12
	143.72	**133.64**

25. Finance Costs

(₹ in crores

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest		
- On term loans, WCDL & commercial papers	58.92	76.37
- On other borrowing from banks	0.06	7.84
- Others	0.00	0.00
Other borrowing costs	2.84	4.49
Interest on Statutory dues	0.04	0.00
	61.86	**88.70**
Less: Interest cost capitalised	0.00	0.32
	61.86	**88.38**

Notes to Standalone Financial Statements for the year ended March 31, 2021

26. Depreciation and amortization expenses

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on tangible assets	95.41	56.85
Amortization of intangible assets	0.14	0.38
	95.55	**57.23**

27. Other Expenses

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and Fuel	34.40	54.21
Packing Materials	24.66	16.21
Consumption of Stores and Spares Parts	21.80	19.16
Repairs and Maintenance :		
- Plant & Machinery	35.94	43.54
- Buildings	1.75	2.30
- Others	0.66	0.60
Rent	1.93	1.74
Rates and Taxes	6.68	4.04
Insurance	3.89	1.29
Travelling	0.38	1.53
Advertisement and Publicity	0.21	0.29
Management Service Charges	14.65	12.59
Freight and Forwarding Charges (net of recoveries)	36.22	29.17
Loss on foreign exchane fluctuation (net of gain)	10.32	0.00
Selling Expenses	9.05	2.90
Export facilitation charges	0.01	4.11
Commission paid to Other Selling Agents	3.15	2.41
Rebates, Discount and Allowances	0.14	0.61
Director's Sitting Fees	0.16	0.17
Charity and Donation	1.53	0.55
Assets written off / Loss on sale of Fixed Assets (net of profits on sale of Fixed Assets)	0.12	1.25
Provision for non moving inventory	2.50	0.30
Bad Debts written Off	0.13	0.11
Provision for Doubtful Debts and advances	0.04	0.00
CSR Expenses (refer note no. 43 (e))	3.87	3.90
Miscellaneous Expenses	27.83	31.84
	242.02	234.82
Less: Expenses Capitalised	0.14	1.31
	241.88	233.51

Notes to Standalone Financial Statements for the year ended March 31, 2021

28. Tax expense

(i) The major components of income tax expense for the financial year 2020-21 & 2019-20 are as follows:-

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Statement of profit and loss:		
Current income tax*	101.25	47.83
Deferred tax on timming differences	(3.31)	6.11
MAT credit entitlement	0.00	0.00
Total	**97.94**	**53.94**
Other comprehensive income:		
Income tax relating to items recognised in OCI during the year	(9.95)	5.21
	(9.95)	**5.21**

*Income tax adjustments are done in books of accounts on the basis of income tax assessments.

(ii) Reconciliation of deffered tax and accounting profit multiplied by India's domestic tax rate for the year:-

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profits before tax	367.44	251.95
Applicable tax rate*	34.94%	34.94%
Computed tax expense	**128.40**	**88.04**
Tax impact on additions of permanent nature	1.47	0.29
Impact of 80IA deduction for tax holiday period	(38.04)	(33.92)
Others	6.11	(0.47)
	97.94	**53.94**

*On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

29. Other Comprehensive Income

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) (i) Items that will not be reclassified to profit/(loss)	206.61	(95.59)
(ii) Income tax relating to items that will not be reclassified to profit/(loss)	(4.68)	0.41
(B) (i) Items that will be reclassified to profit/(loss)		
Fair value changes on derivatives designated as cash flow hedge	15.07	(13.74)
(ii) Income tax relating to items that will be reclassified to profit/(loss)	(5.27)	4.80
	211.73	**(104.12)**

30. Earning Per Share

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit/(loss) attributable to equity shareholders (₹ in crores)	269.50	198.01
Number of equity shares outstanding during the year (weighted average)	80939303	80939303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	33.30	24.46
Diluted	33.30	24.46

Notes to Standalone Financial Statements for the year ended March 31, 2021

31. Contingent Liabilities (not provided for) in respect of:

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Claims against the company not acknowledged as debts*	84.19	84.35
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	3.72	3.72
c)	Guarantee & LC issued by the company's banker on behalf of the company#	51.70	70.42

* Includes demand of ₹79.88 Crore 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.

32. Capital and other commitments:

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	198.64	3.21
b)	Other Commitments	-	-

33. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
	Statutory Auditor		
i	Audit Fee (Including Limited Reviews)	0.16	0.16
ii	For tax audit and other services	0.04	0.03
iii	For reimbursement of expenses	0.00	0.04

34. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	2.66	1.52
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.	-	-
	Total	2.66	1.52

Notes to Standalone Financial Statements for the year ended March 31, 2021

35 Details of Opening and Closing Inventory of Finished Goods:

(₹ in crores)

S. N.	Particulars	2020-21	2019-20
a)	Opening stock		
	Refractory products	16.71	18.17
	Sugar	1,159.78	981.26
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.38	0.31
	Industrial Alcohol	25.83	9.64
	Others	56.22	26.53
	Total	1,258.94	1,035.93
b)	Closing stock		
	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 (including bagasse & Molasses)	73.68	56.22
	Total	1,303.73	1,258.94

36 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 seperately 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:

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol, ENA and sanitizer.

d) The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographiacal Segements. There is no major reliance on a few customers or suppliers..

(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.

Notes to Standalone Financial Statements for the year ended March 31, 2021

36 Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(v) Segment revenue and segment profit

(₹ in crores)

Particulars	Sugar	Power	Distillery	Other	Total
Revenue					
Gross Revenue	2,386.01	311.93	437.60	8.91	3,144.45
	(1,904.51)	(315.60)	(295.71)	(15.17)	(2,530.99)
Inter Segment sale	287.79	170.88	-	-	458.67
	(259.72)	(159.97)	(0.51)	-	(420.20)
Total Revenue from operation*	2,098.22	141.05	437.60	8.91	2,685.78
	(1,644.79)	(155.63)	(295.20)	(15.17)	(2,110.79)
Other Income					53.37
					(60.89)
Total Revenue					2739.15
					(2,171.68)
Profits before interest and tax	156.51	103.29	179.40	(9.90)	429.30
	(134.24)	(96.28)	(111.48)	((1.67))	(340.33)
Finance Cost					61.86
					(88.38)
Less Exceptional items					-
					-
Profit Before Tax					367.44
					(251.95)
Tax Expense					97.94
					(53.94)
Profit After Tax					269.50
					(198.01)

* Includes other operating Income.

Revenue in respect of captive power produced from cogeneration plant has been arrived at based on the rates at which the same is being supplied to State electricity board.

(vi) Segment Assets & Liabilities

(₹ in crores)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Assets					
As at 31st March 2021	2,091.64	386.44	228.03	402.50	3,108.61
As at 31st March 2020	(2,028.90)	(428.47)	(193.43)	(410.82)	(3,061.62)
Unallocable Asset					
As at 31st March 2021					568.32
As at 31st March 2020					(466.04)
Total Asset					
As at 31st March 2021					3,676.93
As at 31st March 2020					(3,527.66)
Segment Liability					
As at 31st March 2021	1,226.49	10.57	129.41	23.18	1,389.65
As at 31st March 2020	(1,629.87)	(6.15)	(114.54)	(15.39)	(1,765.95)

Notes to Standalone Financial Statements for the year ended March 31, 2021

36 Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(vi) Segment Assets & Liabilities (Cont.)

(₹ in crores)

Particulars	Sugar	Power	Distellery	Other	Total
Unallocable Liability					
As at 31st March 2021					197.54
As at 31st March 2020					(153.20)
Total Liability					
As at 31st March 2021					1,587.19
As at 31st March 2020					(1,919.15)

(vii) Other Information

(₹ in crores)

Particulars	Sugar	Power	Distellery	Other	Total
Depreciation / Amortisation	54.80	24.76	14.76	1.23	95.55
	(26.88)	(23.68)	(5.54)	(1.13)	(57.23)
Capital expenditure	29.97	3.32	17.43	0.36	51.08
	(22.76)	(73.31)	(2.11)	(0.58)	(98.76)

(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.

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from operation		
Domestic	2,266.67	1,987.52
Overseas	419.11	123.27
Total	2,685.78	2,110.79

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, 2021 and March 31, 2020.

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 and 3.

b) 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.

c) 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, 2021

37 Employee Benefits - Gratuity & Post employement 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 (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Current Service cost	3.12	2.83
Net Interest cost	1.56	1.31
Expenses Recognized in the statement of Profit & Loss	4.68	4.14

Amounts to be recognized in Other Comprehensive Income (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Actuarial (gain)/loss on assets	0.00	0.00
Actuarial (gain)/loss on liabilities	0.38	1.16
Net (gain)/loss to be recognized in Other Comprehensive Income	0.38	1.16

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Defined benefit obligation	47.80	43.04
Fair value of plan assets	19.31	18.60
Net Asset/(Liability) recognized in the Balance Sheet	(28.49)	(24.44)

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Opening defined benefit obligation	43.04	36.16
Interest cost	2.75	2.63
Current service cost	3.12	2.83
Benefit paid	(1.48)	(1.53)
Actuarial (gains)/losses on obligation	0.37	1.17
Acquisition Adjustment	0.00	1.78
Closing defined benefit obligation	47.80	43.04

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Opening fair value of plan assets	18.60	18.07
Actual return on Plan Assets	1.19	1.31
Contribution during the year	1.00	0.75
Benefit paid	(1.48)	(1.53)
Closing fair value of plan assets	19.31	18.60

Notes to Standalone Financial Statements for the year ended March 31, 2021

37 Employee Benefits - Gratuity & Post employement benefits (Contd.)

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(₹ in crores)

Particulars	2020-21	2019-20
	%	%
Discount rate (%)	6.15%	6.40%
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:

(₹ in crores)

Particulars	2020-21	2019-20
Pension Fund/Superannuation funds/ESI/EPF	7.89	6.86

(vi) Sensitivity analysis of the defined benefit obligation:

(₹ in crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation	50.86	45.98	45.09	40.43
Impact on defined benefit obligation	6.40%	6.80%	-5.70%	-6.10%
(change in %)				

(₹ in crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation	45.09	40.42	50.80	45.94
Impact on defined benefit obligation	-5.70%	-6.10%	6.30%	6.70%
(change in %)				

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, 2021

38 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– Vice-Chairman & MD, Shri Gautam Dalmia - Managing Director, Ms. Sneha Sharma - Company Secretary (Till 31/10/2019),Ms. Aashhima V Khanna-Company Secretary(w.e.f 30/01/2020) & Shri Anil Kataria- Chief Financial Officer

Whole Time director - Shri B B Mehta .

Independent directors - Shri J. S. Baijal (Till 29/08/2019) , Shri M. Raghupathy (Till 29/08/2019) , Shri P. Kannan, Ms. Amita Misra (w.e.f 29/08/2019) and Shri Rajeev Bakshi (w.e.f 05/02/2021)

Non-Executive directors - Shri T. Venkatesan and Ms. Himmi Gupta (Till 30/07/2019)

Relatives of Key Management Personnel

Shri Yadu Hari Dalmia, Shri Raghu Hari Dalmia.

iii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited (Odisha Cement limited), Dalmia Cement (Bharat) Limited, Dalmia Bharat Refractories Limited, Calcom Cement India Limited, Dalmia Bharat Foundation , Dalmia Institute of Scientific & Industrial Research, Antordaya Comm.& Holdings, GSB Refractories India Private lmited, Grandeur Travels & Tours Private Limited, Dalmia Vidya Mandir, Dalmia DSP Limited , Alsthom Industries Limited,Murli Industries ltd.,Dalmia seven Refractories ltd.,DSB Refractories ltd, Dalmia Family Trust.

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in crores)

Nature of transaction	Subsidiary company	Key management personnel and relatives	Key management personnel controlled enterprise	Total
A. Sale of goods and services				
a) Dalmia Cement (Bharat) Limited			**2.15**	**2.15**
			(9.00)	(9.00)
b) Dalmia Bharat Limited(Odisha cement Limited)			**0.07**	**0.07**
			(1.33)	(1.33)
c) Dalmia Refractories Limited			**0.12**	**0.12**
			(1.22)	(1.22)
d) Calcom Cement India Limited			**0.15**	**0.15**
			(0.46)	(0.46)
e) Dalmia Institute of Scientific & Industrial Research			-	-
			(0.01)	(0.01)
f) Dalmia Bharat Foundation			**0.00**	**0.00**
			(0.05)	(0.05)
g) Dalmia Vidya Mandir			-	-
			(0.01)	(0.01)
h) Dalmia DSP Limited			**0.10**	**0.10**
			(0.44)	(0.44)
i) Alsthom Industries Limited			**0.01**	**0.01**
			(0.02)	(0.02)
j) Antordaya Comm. & Holdings			-	-
			(0.03)	(0.03)

Notes to Standalone Financial Statements for the year ended March 31, 2021

38 Related party transaction (Contd.)

(₹ in crores)

Nature of transaction	Subsidiary company	Key management personnel & relatives	Key management personnel controlled enterprise	Total
k) Shri J.H. Dalmia		0.02		0.02
		(0.23)		(0.23)
l) Shri Y.H. Dalmia		0.00		0.00
		(0.51)		(0.51)
m) Dalmia Family Trust			0.01	0.01
			-	
n) Dalmia Seven Refractories ltd			0.04	0.04
			-	
o) Murli Industries ltd			0.05	0.05
			-	
B. Reimbursement of expenses – receivable				
a) Dalmia Bharat Limited(Odisha cement Limited)			-	-
			(0.01)	(0.01)
C. Reimbursement of expenses – payable				
a) Dalmia Institute of Scientific & Industrial Research			0.10	0.10
			(0.06)	(0.06)
b) Dalmia Bharat Foundation			3.61	3.61
(For CSR Expenditure)			(2.30)	(2.30)
D. Purchase of goods and services				-
a) Dalmia Bharat Limited(Odisha cement Limited)			10.76	10.76
			(11.18)	(11.18)
b) Dalmia Cement (Bharat) Limited			4.57	4.57
			(2.08)	(2.08)
c) Dalmia Refractories Limited			0.07	0.07
			(0.05)	(0.05)
E. Loans and Advances given				
a) Himshikhar Investment Limited	1.50			1.50
	(0.50)			(0.50)
F. Interest income on Loans given				
a) Himshikhar Investment Limited	0.00			0.00
	(4.96)			(4.96)
G. Salary and Perquisites				
a) Shri J.H. Dalmia		1.37		1.37
		(1.42)		(1.42)
b) Shri Gautam Dalmia		5.82		5.82
		(5.84)		(5.84)
c) Shri Raghu Hari Dalmia		1.46		1.46
		(1.65)		(1.65)
d) Shri B B Mehta		3.19		3.19
		(2.60)		(2.60)
e) Shri Anil Kataria		0.89		0.89
		(0.89)		(0.89)
f) Ms. Sneha Sharma *		-		-
		(0.04)		(0.04)
g) Ms. Aashhima V Khanna *		0.10		0.10
		(0.01)		(0.01)
H. Dividend Received				
a) Dalmia Bharat Limited(Odisha cement Limited)			-	-
			(0.75)	(0.75)

Notes to Standalone Financial Statements for the year ended March 31, 2021

38 Related party transaction (Contd.)

(₹ in crores)

Nature of transaction	Subsidiary company	Key management personnel & relatives	Key management personnel controlled enterprise	Total
I. Dividend paid				
a) Dalmia Bharat Limited(Odisha cement Limited)			-	-
			(5.34)	(5.34)
J. Sitting fees to directors				
a) Shri J.S. Baijal		-		-
		(0.03)		(0.03)
b) Shri M. Raghupathy		-		-
		(0.02)		(0.02)
c) Shri P. Kannan		**0.06**		**0.06**
		(0.04)		(0.04)
d) Shri T. Venkatesan		**0.03**		**0.03**
		(0.03)		(0.02)
e) Ms. Himmi Gupta		-		-
		(0.01)		(0.02)
f) Ms. Amita Misra		**0.06**		**0.06**
		(0.03)		(0.03)
g) Shri Rajeev Bakshi		**0.01**		**0.01**
		-		-
K. Commission to independent directors				-
a) Shri J.S. Baijal		-		-
		(0.04)		(0.04)
b) Shri M. Raghupathy		-		-
		(0.04)		(0.04)
c) Shri P. Kannan		**0.10**		**0.10**
		(0.10)		(0.10)
d) Ms. Amita Misra		**0.10**		**0.10**
		(0.06)		(0.06)
e) Shri Rajeev Bakshi		**0.15**		**0.15**
		-		-
L. Acquisition liability on account of gratuity and leave encashment actuarial valuation				
a) Dalmia Bharat Limited(Odisha cement Limited)			-	-
			(1.89)	(1.89)
N. Other expenditure				
a) Shir Yadu Hari Dalmia		-		-
		(0.04)		(0.04)
O. Payments made on behalf of subsidiary companies				
a) Himshikhar Investment Limited	**0.33**			**0.33**
	(0.50)	-		(0.50)
P. Investment in Optionally Convertible Debentures				
a) Himshikhar Investment Limited	-			-
	(150.00)	-		(150.00)

* Amount is for part of the year

Notes:-

i) Above transactions are exclusive of recoverable taxes, whereever 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, 2021

38 Related party transaction (Contd.)

c) Balances Outstanding at Year End:

(₹ in crores)

Nature of transaction	Subsidiary company	Key management personnel and relatives	Key management personnel controlled enterprise	Total
A. Loan Receivable				
a) Himshikhar Investment Limited	1.50			1.50
	-			-
B. Optionally Convertible Debenture				
a) Himshikhar Investment Limited	150.00			150.00
	(150.00)			(150.00)
C. Amounts payable				
a) Dalmia Bharat Limited(Odisha cement Limited)			0.96	0.96
			(1.03)	(1.03)
b) Dalmia Cement (Bharat) Limited			0.44	0.44
			(0.21)	(0.21)
c) Dalmia Institute of Scientific & Industrial Research			0.01	0.01
			(0.01)	(0.01)
d) Yadu hari dalmia		-		-
		(0.08)		(0.08)
D. Amounts Receivable				
a) Himshikhar Investment Limited	0.00			0.00
	(1.68)			(1.68)
b) Dalmia Bharat Limited(Odisha cement Limited)			0.01	0.01
			(0.09)	(0.09)
c) Dalmia Cement (Bharat) Limited			0.37	0.37
			(0.44)	(0.44)
d) Dalmia Refractories Limited			0.03	0.03
			(0.17)	(0.17)
e) Calcom Cement India Limited			0.01	0.01
			(0.06)	(0.06)
f) Dalmia Bharat Foundation			-	-
			(0.01)	(0.01)
g) Dalmia DSP Limited			0.03	0.03
			(0.04)	(0.04)
h) Dalmia Seven Refractories Limited			0.01	0.01
			-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

39 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:-

(₹ in crores)

Particulars	Treatment in accounts	2020-21	2019-20
Revenue related government grant			
Production subsidy	Shown as a part of other Operating Income	-	71.56
Production subsidy	Shown as reduction from Cane price	-	10.06
Export subsidy(MAEQ Quota SS 19-20)	Shown as a part of other Operating Income	189.66	4.55
Buffer stock subsidy - Interest on loan	Shown under Government Grant under Other Income	5.42	13.17
Buffer stock subsidy - Reimbursement of storage expenses	Shown under Government Grant under Other Income	0.89	2.21
Interest subvention on SEFASU loan	Shown under Government Grant under Other Income	2.20	11.44
Interest subvention on Ethanol capacity loan	Shown under Government Grant under Other Income	4.06	3.84
Susidy Received from MEDA	Shown under Government Grant under Other Income	-	2.78
Deffered government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	4.20	4.41

b) Movement of deferred government grants is provided here below:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	16.53	20.94
Add: Increase during the year	-	-
Less: Released to the Statement of Profit & Loss	4.20	4.41
Closing balance	12.33	16.53
Current	3.80	4.20
Non-current	8.52	12.33

40 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 (₹ in crores)

Particulars	2020-21	2019-20
Minimum lease payment	1.93	1.74

41 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, 2021

42 Pre operative expenditure included in capital work in progresss

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:

(₹ in crores)

Particulars	2020-21	2019-20
Carried forward as part of Capital Work in Progress (A)	-	0.03
Expenditure incurred during the year		
Finance Cost	-	0.32
Consultancy Charges	-	0.78
Miscellaneous Expenses	0.14	0.66
Total Expenditure incurred during the year (B)	0.14	1.76
Total Pre-operative Expenditure (A + B)	0.14	1.79
Less : Capitalised as Property, plant and equipment	-	1.79
Carried forward as part of Capital Work in Progress	0.14	-

43 Discosure Required by Companies Act 2013

(a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) :

(₹ 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	Operational

(b) Particulars of Guarantee given: NIL

(c) Particulars of Investments made:

(₹ 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

(₹ in crores)

Particulars	2020-21	2019-20
a) Gross amount required to be spent by the company during the year	3.87	3.90
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.87	3.90
Total	3.87	3.90

Notes to Standalone Financial Statements for the year ended March 31, 2021

(ii) Various heads under which CSR Expenditure is incurred

(₹ in crores)

Description	Relevent Clause of SCH VII of Companies Act 2013	2020-21	2019-20
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.72	0.65
Skill Training & Livelihood	Clause No. II & III	0.67	0.96
Soil, Water & Energy Conservation	Clause No. IV	2.04	0.55
Programme Execution		0.18	0.14
		3.61	2.30
Expenditure done directly by the company			
Social Development	Clause No. I & X	-	0.12
Contribution of PM Cares Fund	Clause No. viii	-	1.00
Soil, Water & Energy Conservation	Clause No. IV	0.20	0.43
Programme Execution		0.06	0.05
		3.87	3.90

44 Disclosure required by SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

Detail of loans & advances in the nature of Loans given to Subsidiaries in which Directors' are interested and investment by the loanee in the share of the Company as required by clause 53(F) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

(₹ in crores)

S. N.	Particulars	As at the balance sheet date	Maximum Balance during the year
	Subsidiary Company		
I.	Himshikhar Investment Limited	1.50	1.50
		-	-

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)	(₹ In crores)	Amount (USD in Crores)	(₹ In crores)
	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-20
Forward Contracts	5.05	374.53	3.79	276.64

Notes to Standalone Financial Statements for the year ended March 31, 2021

45 Financial Risk Management (Contd.)

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)	(₹ In crores)	Amount (USD in Crores)	(₹ In crores)
	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-20
Not Later than one months	2.21	163.93	0.31	22.63
Later than one month and not later than three months	2.84	210.60	2.84	207.22
Later than three months and not later than One year	-	-	0.64	46.79

During the year ended March 31, 2021, 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, 2021 are expected to occur and reclassified to statement of profit and loss within 3 months.

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:-

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Gain / (Loss)		
Balance at the beginning of the year	(7.92)	1.02
Gain / (Loss) reversed in other comprehensive income during the period	12.17	(1.57)
Tax impact on above	(4.25)	0.55
Gain / (Loss) recognized in other comprehensive income during the period	2.90	(12.17)
Tax impact on above	(1.01)	4.25
Balance at the end of the year	1.89	(7.92)

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 instituitional & non instituitional 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.

(₹ in crores)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2021	12.33	102.93	115.26
As at March 31, 2020	21.77	148.02	169.79

Notes to Standalone Financial Statements for the year ended March 31, 2021

45 Capital Management (Contd.)

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

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total current assets	1,828.39	1,867.68
Total current liabilities	1,174.70	1,347.62
Current ratio	**1.56**	**1.39**

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 :

(₹ in crores)

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at 31st March, 2021				
(i)	Borrowings*	689.27	148.32	78.32	915.92
(ii)	Other Financial Liability #	73.98			73.98
(iii)	Trade and other payble	305.74			305.74
II	As at 31st March, 2020				
(i)	Borrowings*	768.21	308.45	115.94	1,192.60
(ii)	Other Financial Liability #	143.21			143.21
(iii)	Trade and other payble	401.97			401.97

* Includes short term borrowings & Long term borrowings payable after 1 year.
# includes current maturities of long term debts.

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:-

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total long term borrowing on fluctuation rates	162.98	370.36
Increase in profit before tax with each 1% reduction in interest rates	1.63	3.70
Decrease in profit before tax with each 1% increase in interest rates	(1.63)	(3.70)

Notes to Standalone Financial Statements for the year ended March 31, 2021

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:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrwings (note no.13 (i))	226.64	424.39
Current borrowings (note no.17 (i))	689.27	768.21
Current maturities of long-term borrowings (note no.17 (iii))	41.99	84.59
Total debt	**957.90**	**1277.19**
Less: Cash and cash equivalents (note no. 9 (i),(iii)&(iv))	(180.88)	(261.37)
Net debt	**777.02**	**1015.82**
Total equity (note no.11 & 12)	**2089.74**	**1608.51**
Net debt to equity ratio	0.37	0.63
Long term debt equity ratio	0.13	0.32

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 convenants. 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, 2021		As at March 31, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at fair value through profit and loss					
(i)	In Debt based mutual funds	Level 1	101.39	101.39	194.33	194.33
2	Financial assets designated at fair value through other comprehensive income					
(i)	Investment In Listed Equity shares	Level 1	299.17	299.17	92.18	92.18

Notes to Standalone Financial Statements for the year ended March 31, 2021

47 Discosure Required by Companies Act 2013 (Contd.)

3	Financial assets designated at amortised cost					
(i)	Investment in Bonds	Carried at amortised cost.	8.46	8.46	5.91	5.91
(ii)	Other Bank Balances	Level 2	8.49	8.49	14.11	14.11
(iii)	Cash & Cash Equivalents	Level 2	71.00	71.00	52.92	52.92
(iv)	Trade receivables	Carried at amortised cost.	115.26	115.26	169.79	169.79
(v)	Loans and other receivable (Non- Current)		26.29	26.29	26.65	26.65
(vi)	Loans and other receivable (Current)		45.58	45.58	47.44	47.44
4	Investment in subsidiary companies		154.45	154.45	154.45	154.45

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial liability designated at amortised cost					
	Borrowings - Non Current	Carried at amortised cost.	226.64	226.64	424.39	424.39
	Other financial liability - Non Current		3.24	3.24	3.67	3.67
	Borrowings - Current		689.27	689.27	768.21	768.21
	Other financial liability - Current		70.75	70.75	139.54	139.54
	Trade payables		305.74	305.74	401.97	401.97
	Total		**1,295.64**	**1,295.64**	**1,737.78**	**1,737.78**

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 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

Notes to Standalone Financial Statements for the year ended March 31, 2021

49 Pursuant to notifications issued by Central Government notifying assistance to sugar mills in respect of export for the Sugar Season 2019-20, the company has accounted for ₹189.66 Crore under the head Other operating Income on fulfilment of eligibility conditions.

50 The Board of Directors has, 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 Scheme has been filed with the Stock Exchanges and National Company Law Tribunal.

51 The company is periodically reviewing possible impact of COVID-19 on its business and same is considered in preperation of financial results for the quarter and year ended March 21. 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.

52 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.

53 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

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal	Aashhima V Khanna	Anil Kataria	B B Mehta	Gautam Dalmia
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : May 24, 2021

Independent Auditors' 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, 2021, 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 statement 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, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 and their consolidated profit, their consolidated total comprehensive income, 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 were of most significance in our audit of the consolidated financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	**Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims.** During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognised subsidy claims amounting to ₹189.66 crores. We considered this as key audit matter because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty in relation to the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims.	**Principal Audit Procedures** 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. 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. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. 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. The company has recognized the subsidy to the extent the company has complied with relevant notifications.

Sr. No.	Key Audit Matters	Auditor's Response
	For details: - Refer Note No. 40 (a) to the consolidated financial statements.	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.
2.	**Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021** As on March 31, 2021, the Company has inventory of sugar with the carrying value ₹1,187.87 Crores. The inventory of sugar is valued at the lower of cost and net realizable value. 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. For details: - Refer Note No 8 & 36 to the consolidated financial statements.	**Principal Audit Procedures** 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. 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. 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. 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. For the purpose of determination of cost, the Company has considered the prevailing market conditions. 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.
3.	**Change in method of depreciation** During the year, the management has reviewed the pattern of accrual of benefits along with the commensurate depreciation method which should be followed to depreciate its 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. Due to this change the depreciation for the year ended 31st March 2021 is higher by ₹35.27 crores. We have considered the change in method of depreciation as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved. Refer note 4 of the consolidated financial statements	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by the management in determination of change in method of depreciation and accordingly the revised depreciation has been calculated based on the original useful life taking into account written down value method. Assessing the appropriateness of Company's accounting policy for depreciation of plant and machinery and compliance of the policy with the requirements of the prevailing accounting standards. For the purpose of determination of cost, the Company has considered the pattern of accrual of benefits. Based on the above procedures performed, the management's determination of change in method of depreciation and its computation is considered to be reasonable.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

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 the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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. Based on the records, information and explanation provided, we have nothing to report in this regard.

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 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 overseeing the 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 scepticism 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 financial 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. For the other entity included in the consolidated financial statement, 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 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 ₹211.74 crores as at March 31, 2021, total revenues of ₹0.54 crores, total comprehensive income (Comprising of profit/(loss) and other comprehensive income) of ₹142.70 crores and net cash inflows amounting to ₹0.21 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

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, 2021 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, 2021 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 A" 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. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   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:

i. The Consolidated financial statement disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its consolidated financial statements – Refer Note 32 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, 2021.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: 21095541AAAAFD1028

Place: New Delhi
Date: May 24, 2021

Annexure A 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, 2021.

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 1(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, 2021. 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 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 Company'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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;

b)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

c) 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, 2021, 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: 21095541AAAAFD1028

Place: New Delhi
Date: May 24, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in crores)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	1,307.81	1352.43
b) Capital work - in - progress	4	27.13	6.18
c) Intangible assets	4	0.22	0.35
d) Financial assets	5		
i) Investments	(i)	310.78	100.32
ii) Loans	(ii)	25.85	26.19
iii) Others	(iii)	0.43	0.45
e) Income tax assets (net)	6	3.35	19.16
f) Other non-current assets	7	21.65	2.67
Total Non-current assets		1,697.22	1,507.75
B) Current assets			
a) Inventories	8	1,374.95	1329.19
b) Financial Assets	9		
i) Investments	(i)	309.68	258.51
ii) Trade receivables	(ii)	115.26	169.79
iii) Cash and cash equivalents	(iii)	71.29	53.00
iv) Bank Balances other than (iii) above	(iv)	8.49	14.11
v) Loans	(v)	0.43	0.76
vi) Others	(vi)	43.63	45.00
c) Other current assets	10	111.68	59.91
d) Assets held for sales		0.08	0.08
Total Current assets		2,035.49	1930.35
Total Assets		3,732.71	3438.10
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	16.19	16.19
b) Other equity	12	2,126.50	1502.56
Total Equity		2,142.69	1518.75
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	226.63	424.39
ii) Others	(ii)	3.24	3.67
b) Provisions	14	33.10	29.43
c) Deferred tax liabilities (net)	15	143.57	101.70
d) Other non current liabilities	16	8.52	12.34
Total Non- current liabilities		415.06	571.53
Current liabilities			
a) Financial liabilities	17		
i) Borrowings	(i)	689.27	768.22
ii) Trade payables	(ii)		
Due to MSME		2.66	1.52
Others		303.08	392.23
iii) Other	(iii)	70.74	121.42
b) Other current liabilities	18	65.85	58.88
c) Income Tax liabilities(Net)		37.48	0.00
d) Provisions	19	5.88	5.55
Total Current liabilities		1,174.96	1347.82
Total equity & liabilities		3,732.71	3438.10
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		

The accompanying note no. 1 to 53 are integral part of these cosolidated financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Consolidated statement of profit and loss for the year ended March 31, 2021

(₹ in crores)

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. REVENUE			
Revenue from operations	20	2685.77	2110.80
Other income	21	53.92	56.46
Total Revenue (I)		**2739.69**	**2167.26**
II. EXPENSES			
Cost of raw materials consumed	22	1873.85	1631.47
Change in inventories of finished goods and work in progress	23	(45.14)	(224.49)
Employee benefits expense	24	143.72	133.64
Finance costs	25	61.86	88.38
Depreciation and amortization expense	4 & 26	95.55	57.23
Other expenses	27	241.91	233.56
Total Expenses (II)		**2371.75**	**1919.79**
Profit/(loss) before exceptional items and tax		**367.94**	**247.47**
Exceptional items		-	-
Profit/(loss) before tax		**367.94**	**247.47**
Tax expense:	28		
Current tax		101.48	47.83
Deferred tax		(3.88)	6.45
Total of tax expense		**97.60**	**54.28**
Profit/(loss) for the year from continuing operations		**270.34**	**193.19**
Other comprehensive income	29		
a. i) Items that will not be reclassified to profit/(loss)		351.76	(162.48)
ii) Income tax relating to items that will not be reclassified to profit/(loss)		(7.96)	0.41
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		15.07	(13.74)
ii) Income tax relating to items that will be reclassified to profit/(loss)		(5.27)	4.80
Total comprehensive income for the year (net of taxes)		**623.94**	**22.18**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		33.40	23.87
Diluted (in ₹)		33.40	23.87
[Face value of share ₹ 2 each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

The accompanying note no. 1 to 53 are integral part of these cosolidated financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T. D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Consolidated statement of cash flows for the year ended March 31, 2021

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**367.94**	**247.47**
Adjustments for Non-cash and Non -operating items:-		
Add:-		
Depreciation / Amortization	95.55	57.23
Provision for doubtful debts/ advances	0.04	-
Provision for non moving inventory	2.50	0.30
Bad Debts/ Advances written off	0.13	0.11
Finance Cost	61.88	88.38
Less:-		
Dividend Income	0.00	(0.79)
Interest Income	(9.44)	(7.08)
Provision for doubtful debts written back	(0.45)	0.00
(Profit)/Loss on sale of Investments	(12.67)	(0.77)
Changes in Fair Value of Investments	(4.58)	(5.34)
(Profit)/Loss on sale of property, plant & equipment and Assets written off	0.12	1.25
Grant amortized	(16.77)	(37.85)
Operating Profit before working Capital Changes	**484.25**	**342.91**
Adjustments for working Capital changes :		
Inventories	(48.23)	(234.42)
Trade and Other Payables	(89.96)	1.07
Trade and Other Receivables	6.87	(6.03)
Cash Generated from Operations	**352.93**	**103.53**
Direct Taxes (Paid)/Refund	(7.39)	(44.56)
Net Cash generated from Operating activities	**345.54**	**58.97**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(71.88)	(90.37)
(Purchase)/Sale of Investments (net)	107.75	(96.75)
Interest Received	1.26	7.08
Dividend Received from Non Current Investments	0.00	0.79
Net Cash used in Investing Activities	**37.13**	**(179.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short term Borrowings (net)	(78.93)	251.21
Proceeds/(Repayment) of Long term Borrowings (net)	(240.35)	(18.49)
Finance Cost	(45.10)	(52.34)
Dividend Paid	0.00	(29.14)
Corporate Dividend tax paid	0.00	(5.99)
Net cash used in financing activities	**(364.38)**	**145.25**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**18.29**	**24.97**
Cash and cash equivalents at the beginning of the year	53.00	28.03
Cash and cash equivalents at the end of the year	71.29	53.00

Consolidated statement of cash flows for the year ended March 31, 2021

(₹ in crores)

Components of Cash & Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Cash on hand	0.16	0.26
Cheques, drafts on hand	0.00	0.15
Balances with banks	71.13	52.59
Net Cash & Cash Equivalents	**71.29**	**53.00**

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 53 are integral part of these cosolidated financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Consolidated statement of changes in equity for the year ended March 31, 2021

A. Equity Share Capital

(₹ in crores)

	As at March 31,2021	Changes during the year	As at March 31,2020	Changes during the year	As at April 01,2019
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ 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, 2019	4.07	1285.33	52.54	178.10	1.02	(5.55)	1515.51
Movement during FY 2019-20							
Dividends including Dividend distribution tax paid during the year							-
Profit for the year		(35.13)					(35.13)
Profit on sale of subsidiary companies		193.19	0.00				193.19
Other comprehensive income				(161.31)	(8.94)	(0.76)	(171.01)
Balances as at March 31, 2020	**4.07**	**1443.39**	**52.54**	**16.79**	**(7.92)**	**(6.31)**	**1502.56**
Movement during FY 2020-21							
Profit for the year		270.34	0.00				270.34
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**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 53 are integral part of these cosolidated financial statements.

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T. D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : May 24, 2021

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 (₹).

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, 2021.

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.

i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

vii. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

viii. 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.

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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 statementof 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

- 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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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 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

a. 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.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. 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.

d. 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. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021

- 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 Liabilty

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, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

L. Investments in Associate, 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.

M. 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 includes excise duty 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.

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) amended rules, 2018 ("Amended Rules"). As per amended rules, Ind AS 115 "Revenue from Contracts with Customers" supersedes Ind AS 11, "Construction Contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. 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 and treated as capital receipt.

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 provides services in the normal course of business.

However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), 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).

O. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

P. 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.

Q. 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 settled 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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.

R. 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.

S. 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.

T. Amendments to the Schedule III of the Companies Act, 2013

(New and amended disclosures, not yet effective)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are: -

A. Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

4 Property plant & equipment, intangible assets & capital work in progress.

(₹ in crores)

Particulars	Tangible Assets								Intangible Assets			Total
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	
Cost or revalued amount												
as at 01 April, 2019	582.29	0.58	197.71	1,344.10	8.40	5.47	5.13	2,143.66	3.64	2.01	5.65	2,149.32
Additions	0.31	-	2.68	93.96	0.35	0.40	0.86	98.57	-	0.19	0.19	98.76
Disposals	0.56	-	0.20	8.77	0.09	0.18	0.23	10.04	-	-	-	10.04
as at 31st March, 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	2,287.81
Depreciation and amortisation												
as at 01 April, 2019	0.01	0.17	75.24	739.24	6.42	2.61	4.33	828.05	3.62	1.51	5.13	833.19
Charge for the year	-	-	5.71	49.82	0.33	0.60	0.40	56.86	0.02	0.34	0.36	57.23
Disposals	-	-	0.04	4.66	0.06	0.18	0.23	5.16	-	-	-	5.16
as at 31st March, 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
								-			-	
Net Block												
as at 31st March, 2020	582.02	0.41	119.27	644.89	1.95	2.65	1.26	1,352.43	0.00	0.35	0.35	1,352.78
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
Capital Work in Progress*												
as at 31st March,2020												6.18
as at 31st March,2021												27.13

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

* Includes preoperative expenditure pending capitalisation of ₹ 0.14 Crore (NIL) (refer note no. 43)

Includes immovable property for 2.79 acres (2.79 acres) of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

@During the 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. In cogeneration segment, the company is already following WDV method. Post this change the company will follow the uniform method for Sugar, Cogen and distillery segments' plant & machinery till further review. Due to this change the depreciation for the quarter and year ended March 31, 2021 is higher by ₹ 35.27 Crore.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

5. Non-current financial assets

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
5 (i). Investments				
A. Quoted				
Equity Shares Carried at Fair Value through OCI				
1885134 (1885134) equity shares of ₹ 10 each fully paid up in Dalmia Bharat Limited. (formerly known as Odisha Cement Limited.)		299.17		92.18
193,850 (203,655) equity shares of ₹ 10 each, fully paid up of Poddar Pigments Limited		3.14		2.22
B. Unquoted				
(i) Investment in Bonds (Carried at amortised Cost)				
8.99% Bank of Baroda Bonds		2.05		0.00
9.55% Canara Bank (Perp.) Bonds		5.39		5.39
8.10% HUDCO Bonds		0.53		0.53
7.74% SBI Perpetual Bonds		0.50		0.00
(ii) Others*				
Shares of Co-operative Socities (Unquoted)				
DMC Employees Co-op Stores Limited		((2500))		((2500))
Government or Trust Securities (Unquoted)				
National Saving Certificates		((2000))		((2000))
		310.78		**100.32**
Aggregate amount of quoted investments and market value thereof		302.31		94.40
Aggregate amount of unquoted investments		8.47		5.92
Aggregate amount of impairment in value of investments		-		-
* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.				
5 (ii). Loans				
(Unsecured, considered good unless stated otherwise)				
Security deposits		2.11		2.43
Others		23.74		23.76
(Considered doubtful)				
Others	0.28		0.28	
Less : Allowance for bad and doubtful advances	0.28	0.00	0.28	0.00
		25.85		**26.19**
5 (iii). Others*				
Fixed deposits with banks (earmarked)		0.43		0.45
(with remaining maturity of more than 12 months)				
		0.43		**0.45**

6. Income Tax Assets (Net)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Pre paid Taxes	163.15	151.05
Less: Provision for taxes	(159.80)	(131.89)
	3.35	19.16

Notes to Consolidated Financial Statements for the year ended March 31, 2021

7. Other non current assets

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless stated otherwise)		
Capital advances	19.46	0.81
Advances other than capital advances	1.14	0.75
Balances with Government departments under protest	1.05	1.11
	21.65	2.67

8. Inventories

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Refer Note No. 3(J)) (As taken, valued and certified by the management)		
Raw materials	39.43	30.02
Work in progress	13.05	12.71
Finished goods (including by- products and goods in transit) * (Refer Note no.36)@	1303.73	1258.94
Stores, spare & others#	18.74	27.52
	1,374.95	**1329.19**

* after considering write down of ₹ 35.27 Crore (₹ 37.27 Crore) 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 ₹ 3.52 Crore (₹ 1.17 Crore)

@includes material in transit ₹ 2.36 Crore (NIL)

9. Current financial assets

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
9 (i). Investments		
Equity Shares Carried at Fair Value through OCI		
1312444(1312444) equity shares of ₹10 each fully paid up in Dalmia Bharat Limited.		
	208.29	64.18
Investment in mutual funds (quoted)		
(Carried at Fair Value through profit and loss)		
Debt based schemes	101.39	194.33
Total	**309.68**	**258.51**
Aggregate amount of quoted investments and market value thereof	309.68	258.51
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
9 (ii). Trade receivables		
Unsecured, considered good	115.26	169.79
Considered Doubtful	0.00	0.45
Less : Allowance for bad and doubtful debts	0.00	(0.45)
	115.26	169.79
9 (iii). Cash and cash equivalents		
Cash on hand	0.16	0.26
Cheques, drafts on hand	0.00	0.15
Balance with banks	71.13	52.59
	71.29	**53.00**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

9. Current financial assets (Contd.)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
9 (iv). Bank balances other than cash & cash equivalents		
- Deposits with original maturity of more than 3 months but less than 12 months*	7.73	13.47
- Earmarked balances with banks (Unpaid dividend accounts)	0.76	0.64
	8.49	14.11
*including earmarked balances of ₹ 0.66 Crore (₹ 0.46 Crore)		
9 (v). Loans		
(Unsecured, considered good)		
Others		
Loans to employees	0.43	0.76
	0.43	0.76
9 (vi). Others		
(Unsecured, considered good)		
Interest receivable	0.30	0.39
Buffer subsidy and Interest subvention receivable	26.00	28.15
Unbilled revenue	17.12	16.30
Others	0.21	0.16
	43.63	45.00

10. Other current assets

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Advances other than capital advances		
Production/Export Subsidy Receivable	84.20	49.45
Deposit and Balances with Government departments and other authorities	8.85	3.35
Other advances	18.63	7.11
	111.68	**59.91**

11. Equity Share capital

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of ₹ 2/- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹ 2/- each	17.05	17.05
	40.00	40.00
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary equity shares of ₹ 2/- each	16.19	16.19
	16.19	**16.19**

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	80,939,303	16.19	80,939,303	16.19
Changes during the year	-	-	-	-
At the end of the year	80,939,303	16.19	80,939,303	16.19

Notes to Consolidated Financial Statements for the year ended March 31, 2021

11. Equity Share capital (Contd.)

(b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of ₹ 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.

(c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹ 2 each fully paid up				
Samagama Holdings and Commercial Private Limited	35,875,223	44.32%	35,875,223	44.32%
Dalmia Bharat Limited	14,829,764	18.32%	14,829,764	18.32%
Vanika Commercial and Holdings Private Limited	8,687,305	10.73%	8,687,305	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) Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have proposed a final dividend of ₹ 3 per share @ 150% (face value of ₹ 2 each) in respect of the year ended March 31, 2021 (₹ 2 per share @ 100% in FY 2019-20) subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 24.27 Crore (₹ 19.52 Crore including distribution tax).

12. Other Equity

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Reserve & Surplus		
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Changes during the year	-	-
Closing balance	**4.07**	**4.07**
General reserve		
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	**52.54**	**52.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1443.39	1285.33
Profit for the year	270.34	193.19
Gain on sale of Subsidiaries		
Less: appropriations		
(i) Transfer to general reserve	-	-
(ii) Final/Interim dividend on ordinary shares	-	(29.14)
(iii) Dividend distribution tax	-	(5.99)
Total Appropriations	**-**	**(35.13)**
Net surplus in the statement of profit and loss	**1713.73**	**1443.39**
Total reserves and surplus	**1770.34**	**1500.00**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

12. Other Equity (Contd.)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Other Comprehensive Income		
Opening Balance	2.56	173.57
Addition/(reduction) during the year	353.60	(171.01)
Closing Balance	356.16	2.56
Total Other Equity	2126.50	1502.56

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 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.

3 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.

4 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.

13. Non current financial liabilities

13 (i). Borrowings

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
Secured				
Term loans:				
i. From banks	162.98		370.36	
Less: Shown in current maturities of long term borrowings	8.94	154.04	51.61	318.75
ii. From other parties	105.64		138.62	
Less: Shown in current maturities of long term borrowings	33.05	72.59	32.98	105.64
(Refer note no. 17(iii) for current maturities)		226.63		424.39

(₹ in crores)

S. No.	Particulars	As at 31st, March 2021	As at 31st, March 2020	Fixed/Fluctuating interest rate	Rate of interest
Non Current Borrowings					
A)	From Bank				
a)	Punjab National Bank				
	Soft Loan for cane payment	-	13.09	Fluctuating	Base Rate+1.75%
b)	HDFC Term Loan for capital expenditure	-	-	Fluctuating	One year MCLR+0.80%
c)	Axis Bank soft loan for payment of cane dues	-	194.28	Fluctuating	One year MCLR+0.35%
d)	Axis Bank for capital expenditure	64.15	64.16	Fluctuating	One year MCLR+0.75%, Presently 7.50%
e)	HDFC Term Loan for Nigohi Distillery	50.00	50.00	Fluctuating	60bps over 1year MCLR,Presently 7.20%
f)	HDFC Term Loan for Jawaharpur Distillery Expansion	10.83	10.83	Fluctuating	60 bps over 1year MCLR,Presently 7.20%
g)	HDFC Term Loan for Jawaharpur Distillery Incineration Boiler	38.00	38.00	Fluctuating	60 bps over 1year MCLR,Presently 7.20%
	Total	162.98	370.36		

Notes to Consolidated Financial Statements for the year ended March 31, 2021

13. Non current financial liabilities (Contd.)

(₹ in crores)

S. No.	Particulars	As at 31st, March 2021	As at 31st, March 2020	Fixed/Fluctuating interest rate	Rate of interest
B)	From Others				
	Sugar Development Fund Loans				
a)	Secured against Bank Guarantee	18.18	26.21	Fixed	4.75% to 5.75%
b)	Soft loan from UP Government (SEFASU 2018 Scheme)	95.04	125.06	Fixed	5% Simple Interest
	Notional reduction in loan balances due to IND AS adjustments	(7.58)	(12.65)		
	Total	105.64	138.62		
	G Total	268.62	508.98		

Nature of securities, Interest & repayment Terms.

A) Details of Loans taken from Banks:-

a) PNB soft loan for cane payment is secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017.

b) HDFC Term loan , is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

c) Axis Bank soft loan,is secured by first pair passu charge by way of hypothication on all movable fixed asset of kolhapur Plant,repayable in 16 equal quaterly installments starting from after one year Monotorium starting from May'20. This loan is fully paid during the FY ended 31st March 2021.

d) Axis Bank Term Loan is 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. Repayments scheduled to be paid this year were prepaid in the preceeding years.

e) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Nigohi Plant payable in 40 equal quarterly installments starting from May, 21.

f) HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Jawaharpur Plant payable in 40 equal quarterly installments starting from May, 21.

g) HDFC Bank Term Loan for Jawaharpur distillery Incinertion boiler is secured by first pari passu charge through hypothecation on movable fixed asset of Incinerator Boiler at Jawaharpur Plant payable in 40 equal quarterly installments starting from Aug'21.

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.

13 (ii). Others

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost:-		
Other liabilities	3.24	3.67
	3.24	3.67

14. Non current provisions

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	33.10	29.43
	33.10	29.43

Notes to Consolidated Financial Statements for the year ended March 31, 2021

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2021 and movement during the year 2020-21.

(₹ in crores)

	As at March 31, 2021	MAT credit utilized	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at 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)
Net Deferred tax liability / (asset)	**143.57**	**32.53**	**(3.89)**	**13.23**	**101.70**

B) Major components of deferred tax liabilities as on 31 March 2020 and movement during the year 2019-20.

(₹ in crores)

	As at March 31, 2020	Deferred tax on subsidiaries sold during the year	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at April 01, 2019
Property, plant & equipment including fair valuation of land	237.37		6.54	-	230.83
Others	10.37		0.69	-	9.68
Expenses allowed on payment basis	(16.43)		(1.19)	(5.21)	(10.03)
MAT Credit Entitlement	(129.61)	3.65	0.44	-	(133.70)
Net Deferred tax liability / (asset)	**101.70**	**3.65**	**6.48**	**(5.21)**	**96.78**

16. Other non current liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Government Grant		
(Refer note no. 40 for movement during the year)	8.52	12.34
	8.52	**12.34**

17. Current financial liabilities

17 (i). Borrowings

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Secured		
loans from banks		
Working capital/short term loans	590.00	530.28
Commercial Papers	0.00	138.88
Cash credit limit	0.09	0.14
Unsecured		
Commercial Papers	99.18	98.92
	689.27	768.22

(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 fixed interest in the range of 4.0% to 4.15%.

(ii) Commercial Papers issued were repayable during next one year and carry fixed interest in the range of 4.40%- 4.50%.

(iii) Cash credit limit is secure by hypothecation of inventories and trade receivables in favour of bank ranking pari passu on inter-se-basis,carrying interest rate as per 1 Year MCLR+0.8% with annual reset.Presently 8.15%.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

17. Current financial liabilities (Contd.)

17 (ii). Trade payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Trade Payables		
- Micro and small enterprises *	2.66	1.52
- Others	303.08	392.23
	305.74	**393.75**

* 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

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term borrowings	41.99	84.59
Interest accrued but not due on borrowings	6.93	6.59
Unclaimed dividend *	0.76	0.64
Others:-		
Accrued salaries & benefits	3.49	1.30
Capital Creditors	10.05	8.22
Security deposits received	3.69	3.26
Others	3.83	16.82
	70.74	**121.42**

* 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

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Advances from customers	14.61	21.33
Statutory dues	7.55	7.03
Government grant (Refer note no. 40(b) for movement during the year)	3.80	4.20
Others	39.89	26.32
	65.85	58.88

19. Provisions (current)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	5.88	5.55
	5.88	**5.55**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

20. Revenue from operations

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of products		
Sugar and allied products	1908.11	1568.58
Power	140.58	151.95
Distillery	437.60	295.19
Others	8.39	12.75
	2494.68	**2028.47**
Sales of services	0.51	2.43
Other operating revenue		
REC Sales	0.48	3.68
Production Subsidy by Central Government (refer note no. 40)	0.00	71.56
Export Subsidy by Central Government (refer note no. 40)	189.66	4.55
Others	0.44	0.11
	2685.77	2110.80

21. Other income

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income from non current investment	0.00	1.31
Interest Income from bank deposits and others	9.44	2.13
Profit on sale of investments	12.67	0.77
Profit on changes in Fair valuation of investments (net of losses)	4.58	5.34
Gain on foreign exchange fluctuation (net of losses)	0.00	2.01
Government Grant (refer note no. 40)	16.77	37.85
Miscellaneous receipts	10.46	7.05
	53.92	**56.46**

22. Cost of raw materials consumed

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sugar Cane & Molasses	1850.71	1594.49
Raw Magnesite	0.86	1.29
Others	22.28	35.69
	1873.85	**1631.47**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

23. Changes in inventories of finished goods, work in progress

(₹ in crores)

	For the year ended March 31, 2021		For the year ended March 31, 2020	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	1303.73		1258.94	
- Opening stock	1258.94		1035.93	
		(44.79)		(223.01)
Work-in-process				
- Closing stock	13.06		12.71	
- Opening stock	12.71		11.23	
		(0.35)		(1.48)
		(45.14)		(224.49)

24. Employee benefits expense

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Salaries, wages, bonus and other payments	129.54	117.81
Contribution to provident fund and other funds	11.52	11.02
Workmen and staff welfare expenses	2.66	4.93
	143.72	133.76
Less:Employee cost captalised	0.00	0.12
	143.72	133.64

25. Finance Costs

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Interest		
- On term loans, WCDL & commercial papers	58.92	76.37
- On other borrowings from banks	0.06	7.84
- Others	0.00	0.00
Other borrowing costs	2.84	4.49
Interest on statutory dues	0.04	-
	61.86	88.70
Less: Interest cost capitalised	0.00	0.32
	61.86	88.38

26. Depreciation and amortization expenses

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Depreciation on tangible assets	95.41	56.85
Amortization of intangible assets	0.14	0.38
	95.55	57.23

Notes to Consolidated Financial Statements for the year ended March 31, 2021

27. Other Expenses

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Power and Fuel	34.40	54.21
Packing Materials	24.66	16.21
Consumption of Stores and Spares Parts	21.80	19.16
Repairs and Maintenance :		
- Plant & Machinery	35.94	43.54
- Buildings	1.75	2.30
- Others	0.66	0.60
Rent	1.93	1.74
Rates and Taxes	6.68	4.04
Insurance	3.89	1.29
Travelling	0.38	1.53
Advertisement and Publicity	0.21	0.29
Management Service Charges	14.65	12.59
Freight and Forwarding Charges (net of recoveries)	36.22	29.17
Loss on foreign exchane fluctuation (net of gain)	10.32	0.00
Selling Expenses	9.05	2.90
Export facilitation charges	0.01	4.11
Commission paid to Other Selling Agents	3.15	2.41
Rebates, Discount and Allowances	0.14	0.61
Director's Sitting Fees	0.16	0.17
Charity and Donation	1.53	0.55
Assets written off / Loss on sale of Fixed Assets	0.12	1.25
Provision for non moving inventory	2.50	0.30
Bad Debts written Off	0.13	0.11
Provision for Doubtful Debts and advances	0.04	-
CSR Expenses (refer note no. 46 (e))	3.87	3.90
Miscellaneous Expenses	27.86	31.89
	242.05	**234.87**
Less: Expenses Capitalised	0.14	1.31
	241.91	**233.56**

28. Tax expense

(i) The major components of income tax expense for the financial year 2020-21 & 2019-20 are as follows:-

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Statement of profit and loss:		
Current income tax*	101.48	47.83
Deferred tax on timming differences	(3.88)	6.45
Mat credit entitlement	-	**0.00**
Total	**97.60**	**54.28**
Other comprehensive income:		
Income tax relating to items recognised in OCI during the year	13.23	(5.21)
	13.23	**(5.21)**

*Income tax adjustments are done in books of accounts on the basis of income tax assessments.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

28. Tax expense (Contd.)

(ii) Reconciliation of deffered tax and accounting profit multiplied by India's domestic tax rate for the year:-

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Accounting profits before tax	367.94	247.47
Applicable tax rate*	34.944%	34.944%
Computed tax expense	**128.57**	**86.47**
Tax impact on additions of permanent nature	1.47	0.29
Impact of 80IA deduction for tax holiday period	(38.04)	(33.92)
Others	5.60	1.44
	97.60	**54.28**

*On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

29. Other Comprehensive Income

(₹ in crores)

			As at March 31, 2021	As at March 31, 2020
(A)	(i)	Items that will not be reclassified to profit/(loss)	351.76	(162.48)
	(ii)	Income tax relating to items that will not be reclassified to profit/(loss)	(7.96)	0.41
(B)	(i)	Items that will be reclassified to profit/(loss)		
		Fair value changes on derivatives designated as cash flow hedge	15.07	(13.74)
	(ii)	Income tax relating to items that will be reclassified to profit/(loss)	(5.27)	4.80
			353.60	**(171.01)**

30. Earning Per Share

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Net profit/(loss) attributable to equity shareholders (₹ in crores)	270.34	193.19
Number of equity shares outstanding during the year (weighted average)	80939303	80939303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	33.40	23.87
Diluted	33.40	23.87

31 The Group Comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the Consolidated Financial Statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31,2021	Percentage of Ownership held as at March 31,2020
Subsidiary companies:-			
Himshikhar Investment Limited(HIL)	India	100%	100%

Notes to Consolidated Financial Statements for the year ended March 31, 2021

32. Contingent Liabilities (not provided for) in respect of:

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Claims against the company not acknowledged as debts*	84.19	84.35
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	3.72	3.72
c)	Guarantee & LC issued by the company's banker on behalf of the company#	51.70	70.42

* Includes demand of ₹ 79.88 Crore 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 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.

33. Capital and other commitments:

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	198.64	3.21
b)	Other Commitments	-	-

34. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
	Statutory Auditor		
i	Audit Fee (Including Limited Reviews)	0.16	0.16
ii	For tax audit and other services	0.04	0.03
iii	For reimbursement of expenses	0.00	0.04

35. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(₹ in crores)

S. N.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	2.66	1.52
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.	-	-
	Total	2.66	1.52

Notes to Consolidated Financial Statements for the year ended March 31, 2021

36. Details of Opening and Closing Inventory of Finished Goods:

S. N.	Particulars	2020-21	2019-20
a)	Opening stock		
	Refractory products	16.71	18.17
	Sugar	1,159.78	981.26
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.38	0.31
	Industrial Alcohol	25.83	9.64
	Others	56.23	26.53
	Total	**1,258.94**	**1,035.93**
b)	Closing stock		
	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 (including bagasse & Molasses)	73.68	56.23
	Total	**1,303.73**	**1,258.94**

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 seperately 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:

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol, ENA and Sanitizer.

d) 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

37. Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(v) Segment revenue and segment profit

(₹ in crores)

Particulars	Sugar	Power	Distellery	Other	Total
Revenue					
Gross Revenue	2,386.01	311.93	437.60	8.90	3,144.44
	(1,904.51)	(315.60)	(295.71)	(15.18)	(2,531.00)
Inter Segment sale	287.79	170.88	-	-	458.67
	(259.72)	(159.97)	(0.53)	-	(420.22)
Total Revenue from operation*	2,098.22	141.05	437.60	8.90	2,685.77
	(1,644.79)	(155.63)	(295.18)	(15.18)	(2,110.80)
Other Income					53.92
					(56.46)
Total Revenue					2,739.69
					(2,167.26)
Results	157.01	103.29	179.40	(9.90)	429.80
	(129.77)	(96.28)	(111.48)	((1.68))	(335.85)
Finance Cost					61.86
					(88.38)
Profit Before Tax					367.94
					(247.47)
Tax Expense					97.60
					(54.28)
Profit After Tax					270.34
					(193.19)

* Includes other operating Income.

Revenue in respect of captive power produced from cogeneration plant has been arrived at based on the rates at which the same is being supplied to State electricity board.

(vi) Segment Assets & Liabilities

(₹ in crores)

Particulars	Sugar	Power	Distellery	Other	Total
Segment Assets					
As at 31st March 2021	2,091.64	386.44	228.03	402.50	3,108.61
As at 31st March 2020	(2,028.90)	(428.47)	(193.43)	(410.82)	(3,061.62)
Unallocable Asset					
As at 31st March 2021					624.10
As at 31st March 2020					(376.48)
Total Asset					
As at 31st March 2021					3,732.71
As at 31st March 2020					(3,438.10)
Segment Liability					
As at 31st March 2021	1,226.49	10.57	129.41	23.18	1,389.65
As at 31st March 2020	(1,629.86)	(6.15)	(114.54)	(15.38)	(1,765.93)
Unallocable Liability					
As at 31st March 2021					200.37
As at 31st March 2020					(153.42)
Total Liability					
As at 31st March 2021					1,590.02
As at 31st March 2020					(1,919.35)

Notes to Consolidated Financial Statements for the year ended March 31, 2021

37. Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(vii) Other Information

(₹ in crores)

Particulars	Sugar	Power	Distillery	Other	Total
Depreciation / Amortisation	**54.80**	**24.76**	**14.76**	**1.23**	**95.55**
	(26.88)	(23.68)	(5.54)	(1.13)	(57.23)
Capital expenditure	**29.97**	**3.32**	**17.43**	**0.36**	**51.08**
	(22.76)	(73.31)	(2.11)	(0.58)	(98.76)

(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.

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from operation		
Domestic	2,266.66	1,987.53
Overseas	419.11	123.27
Total	**2,685.77**	**2,110.80**

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, 2021 and March 31, 2020.

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 & 3.

b) 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.

c) 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.

38. Employee Benefits - Gratuity & Post employement 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

(₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Current Service cost	3.12	2.83
Net Interest cost	1.56	1.31
Expenses Recognized in the statement of Profit & Loss	4.68	4.14

Notes to Consolidated Financial Statements for the year ended March 31, 2021

38. Employee Benefits - Gratuity & Post employement benefits (Contd.)

Amounts to be recognized in Other Comprehensive Income (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Actuarial (gain)/loss on assets	0.00	0.00
Actuarial (gain)/loss on liabilities	0.38	1.16
Net (gain)/loss to be recognized in Other Comprehensive Income	0.38	1.16

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Defined benefit obligation	47.80	43.04
Fair value of plan assets	19.31	18.60
Net Asset/(Liability) recognized in the Balance Sheet	(28.49)	(24.44)

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Opening defined benefit obligation	43.04	36.16
Interest cost	2.75	2.63
Current service cost	3.12	2.83
Benefit paid	(1.48)	(1.53)
Actuarial (gains)/losses on obligation	0.37	1.17
Acquisition Adjustment	0.00	1.78
Closing defined benefit obligation	47.80	43.04

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in crores)

Particulars	2020-21	2019-20
	Gratuity	Gratuity
Opening fair value of plan assets	18.60	18.07
Actual return on Plan Assets	1.19	1.31
Contribution during the year	1.00	0.75
Benefit paid	(1.48)	(1.53)
Closing fair value of plan assets	19.31	18.60

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: (₹ in crores)

Particulars	2020-21	2019-20
	%	%
Discount rate (%)	6.15%	6.40%
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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

38. Employee Benefits - Gratuity & Post employement benefits (Contd.)

v. Contribution to defined contribution plans: (₹ in crores)

Particulars	2020-21	2019-20
Pension Fund/Superannuation funds/ESI/EPF	7.89	6.86

vi Sensitivity analysis of the defined benefit obligation: (₹ in crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation	50.86	45.98	45.09	40.43
Impact on defined benefit obligation	6.40%	6.80%	-5.70%	-6.10%
(change in %)				

(₹ in crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation	45.09	40.42	50.8	45.94
Impact on defined benefit obligation	-5.70%	-6.10%	6.30%	6.70%
(change in %)				

1 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.

39 Related party transaction

a) List of related parties (as certified by the management)

i. Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman & MD, Shri Gautam Dalmia - Managing Director, Ms. Sneha Sharma - Company Secretary (Till 31/10/2019),Ms. Aashhima V Khanna-Company Secretary(w.e.f 30/01/2020) & Shri Anil Kataria- Chief Financial Officer

Whole Time director - Shri B B Mehta .

Independent directors - Shri J. S. Baijal (Till 29/08/2019) , Shri M. Raghupathy (Till 29/08/2019) , Shri P. Kannan, Ms. Amita Misra (w.e.f 29/08/2019) and Shri Rajeev Bakshi (w.e.f 05/02/2021)

Non-Executive directors - Shri T. Venkatesan and Ms. Himmi Gupta (Till 30/07/2019)

Relatives of Key Management Personnel

Shri Yadu Hari Dalmia, Shri Raghu Hari Dalmia.

ii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited (Odisha Cement limited), Dalmia Cement (Bharat) Limited, Dalmia Bharat Refractories Limited, Calcom Cement India Limited, Dalmia Bharat Foundation , Dalmia Institute of Scientific & Industrial Research, Antordaya

Notes to Consolidated Financial Statements for the year ended March 31, 2021

39 Related party transaction (Contd.)

Comm.& Holdings, GSB Refractories India Private lmited, Grandeur Travels & Tours Private Limited, Dalmia Vidya Mandir, Dalmia DSP Limited , Alsthom Industries Limited,Murli Industries ltd.,Dalmia seven Refractories ltd., DSB Refractories ltd, Dalmia Family Trust.

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Sale of goods and services			
a) Dalmia Cement (Bharat) Limited		2.15	2.15
		(9.00)	(9.00)
b) Dalmia Bharat Limited(Odisha Cement Limited)		0.07	0.07
		(1.33)	(1.33)
c) Dalmia Refractories Limited		0.12	0.12
		(1.22)	(1.22)
d) Calcom Cement India Limited		0.15	0.15
		(0.46)	(0.46)
e) Dalmia Institute of Scientific & Industrial Research		-	-
		(0.01)	(0.01)
f) Dalmia Bharat Foundation		0.00	0.00
		(0.05)	(0.05)
g) Dalmia Vidya Mandir		-	-
		(0.01)	(0.01)
h) Dalmia DSP Limited		0.10	0.10
		(0.44)	(0.44)
i) Alsthom Industries Limited		0.01	0.01
		(0.02)	(0.02)
j) Antordaya Comm. & Holdings		-	-
		(0.03)	(0.03)
k) Shri J.H. Dalmia	0.02		0.02
	(0.23)		(0.23)
l) Shri Y.H. Dalmia	0.00		0.00
	(0.51)		(0.51)
m) Dalmia Family Trust		0.01	0.01
		-	-
n) Dalmia Seven Refractories ltd		0.04	0.04
		-	-
o) Murli Industries ltd		0.05	0.05
		-	-
B. Reimbursement of expenses – receivable			
a) Dalmia Bharat Limited(Odisha Cement Limited)		-	-
		(0.01)	(0.01)
C. Reimbursement of expenses – payable			
a) Dalmia Institute of Scientific & Industrial Research		0.10	0.10
		(0.06)	(0.06)
b) Dalmia Bharat Foundation		3.61	3.61
(For CSR Expenditure)		(2.30)	(2.30)
D. Purchase of goods and services			
a) Dalmia Bharat Limited(Odisha Cement Limited)		10.76	10.76
		(11.18)	(11.18)
b) Dalmia Cement (Bharat) Limited		4.57	4.57
		(2.08)	(2.08)
c) Dalmia Refractories Limited		0.07	0.07
		(0.05)	(0.05)

Notes to Consolidated Financial Statements for the year ended March 31, 2021

39 Related party transaction (Contd.)

(₹ in crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
E. Salary and Perquisites			
a) Shri J.H. Dalmia	**1.37**		**1.37**
	(1.42)		(1.42)
b) Shri Gautam Dalmia	**5.82**		**5.82**
	(5.84)		(5.84)
c) Shri Raghu Hari Dalmia	**1.46**		**1.46**
	(1.65)		(1.65)
d) Shri B B Mehta	**3.19**		**3.19**
	(2.60)		(2.60)
e) Shri Anil Kataria	**0.89**		**0.89**
	(0.89)		(0.89)
f) Ms. Sneha Sharma *	-		-
	(0.04)		(0.04)
g) Ms. Aashhima V Khanna *	**0.10**		**0.10**
	(0.01)		(0.01)
F. Dividend Received			
a) Dalmia Bharat Limited(Odisha Cement Limited)		-	-
		(0.75)	(0.75)
G. Dividend Paid			
a) Dalmia Bharat Limited(Odisha Cement Limited)		-	-
		(5.34)	(5.34)
H. Sitting fees to directors			
a) Shri J.S. Baijal	-		-
	(0.03)		(0.03)
b) Shri M. Raghupathy	-		-
	(0.02)		(0.02)
c) Shri P. Kannan	**0.06**		**0.06**
	(0.04)		(0.04)
d) Shri T. Venkatesan	**0.03**		**0.03**
	(0.02)		(0.02)
e) Shri B.B. Mehta	-		-
	(0.03)		(0.03)
f) Ms. Himmi Gupta	-		-
	(0.02)		(0.02)
f) Ms. Amita Misra	**0.06**		**0.06**
	(0.03)		(0.03)
g) Shri Rajeev Bakshi	**0.01**		**0.01**
	-		-
I. Commission to independent directors			-
a) Shri J.S. Baijal	-		-
	(0.04)		(0.04)
b) Shri M. Raghupathy	-		-
	(0.04)		(0.04)
c) Shri P. Kannan	**0.10**		**0.10**
	(0.10)		(0.10)
d) Ms. Amita Misra	**0.10**		**0.10**
	(0.06)		(0.06)
e) Shri Rajeev Bakshi	**0.15**		**0.15**
	-		-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

39 Related party transaction (Contd.)

(₹ in crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
J. Other expenditure			
a) Shir Yadu Hari Dalmia	-		-
	(0.04)		(0.04)
K. Acquisition liability on account of gratuity and leave encashment actuarial valuation			
a) Dalmia Bharat Limited(Odisha cement Limited)		-	-
		(1.89)	(1.89)

* Amount is for part of the year

Notes:-

i) Above transactions are exclusive of recoverable taxes, whereever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.

c) Balances Outstanding at Year End:

(₹ in crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Amounts payable			
a) Dalmia Bharat Limited (Odisha Cement Limited)		0.96	0.96
		(1.03)	(1.03)
b) Dalmia Cement (Bharat) Limited		0.44	0.44
		(0.21)	(0.21)
c) Dalmia Institute of Scientific & Industrial Research		0.01	0.01
		(0.01)	(0.01)
d) Yadu hari dalmia	-		-
	(0.08)		(0.08)
B. Amounts Receivable			
a) Dalmia Bharat Limited (Odisha Cement Limited)		0.01	0.01
		(0.09)	(0.09)
b) Dalmia Cement (Bharat) Limited		0.37	0.37
		(0.44)	(0.44)
c) Dalmia Refractories Limited		0.03	0.03
		(0.17)	(0.17)
d) Calcom Cement India Limited		0.01	0.01
		(0.06)	(0.06)
e) Dalmia Bharat Foundation		-	-
		(0.01)	(0.01)
f) Dalmia DSP Limited		0.03	0.03
		(0.04)	(0.04)
g) Dalmia Seven Refractories Limited.		0.01	0.01
		-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

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:-

(₹ in crores)

Particulars	Treatment in accounts	2020-21	2019-20
Revenue related government grant			
Production subsidy	Shown as a part of other Operating Income	-	71.56
Production subsidy	Shown as reduction from Cane price	-	10.06
Export subsidy (MAEQ Quota SS 19-20)	Shown as a part of other Operating Income	189.66	4.55
Buffer stock subsidy - Interest on loan	Shown under Government Grant under Other Income	5.42	13.17
Buffer stock subsidy - Reimbursement of storage expenses	Shown under Government Grant under Other Income	0.89	2.21
Interest subvention on SEFASU loan	Shown under Government Grant under Other Income	2.20	11.44
Interest subvention on Ethanol capacity loan	Shown under Government Grant under Other Income	4.06	3.84
Susidy Received from MEDA	Shown under Government Grant under Other Income	-	2.78
Deffered government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	4.20	4.41

b) Movement of deferred government grants is provided here below:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	16.53	20.94
Add: Increase during the year	-	-
Less: Released to the Statement of Profit & Loss	4.20	4.41
Closing balance	12.33	16.53
Current	3.80	4.20
Non-current	8.52	12.33

41 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 (₹ in crores)

Particulars	2020-21	2019-20
Minimum lease payment	1.93	1.74

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 Consolidated Financial Statements for the year ended March 31, 2021

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:

(₹ in crores)

Particulars	2020-21	2019-20
Carried forward as part of Capital Work in Progress (A)	-	0.03
Expenditure incurred during the year		
Finance Cost	-	0.32
Consultancy Charges	-	0.78
Miscellaneous Expenses	0.14	0.66
Total Expenditure incurred during the year (B)	0.14	1.76
Total Pre-operative Expenditure (A + B)	0.14	1.79
Less : Capitalised as Property, plant and equipment	-	1.79
Carried forward as part of Capital Work in Progress	0.14	-

44 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 approprpiate 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)	(₹ In crores)	Amount (USD in Crores)	(₹ In crores)
	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-20
Forward Contracts	5.05	374.53	3.79	276.64

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)	(₹ In crores)	Amount (USD in Crores)	(₹ In crores)
	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-20
Not Later than one months	2.21	163.93	0.31	22.63
Later than one month and not later than three months	2.84	210.60	2.84	207.22
Later than three months and not later than One year	-	-	0.64	46.79

Notes to Consolidated Financial Statements for the year ended March 31, 2021

44 Financial Risk Management (Contd.)

During the year ended March 31, 2021, 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, 2021 are expected to occur and reclassified to statement of profit and loss within 3 months.

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:-

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Gain / (Loss)		
Balance at the beginning of the year	(7.92)	1.02
Gain / (Loss) reversed in other comprehensive income during the period	12.17	(1.57)
Tax impact on above	(4.25)	0.55
Gain / (Loss) recognized in other comprehensive income during the period	2.90	(12.17)
Tax impact on above	(1.01)	4.25
Balance at the end of the year	1.89	(7.92)

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 instituitional & non instituitional 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.

(₹ in crores)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2021	12.33	102.93	115.26
As at March 31, 2020	21.77	148.02	169.79

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

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total current assets	2,035.49	1,930.35
Total current liabilities	1,174.96	1,347.82
Current ratio	**1.73**	**1.43**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

44 Financial Risk Management (Contd.)

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 :

(₹ in crores)

Particulars		Less than 1 year	1 to 5 years	> 5 years	Total
I	As at 31st March, 2021				
(i)	Borrowings*	689.27	148.32	78.31	915.91
(ii)	Other Financial Liability #	73.97			73.97
(iii)	Trade and other payble	305.74			305.74
II	As at 31st March, 2020				
(i)	Borrowings*	517.00	292.02	168.73	977.75
(ii)	Other Financial Liability #	101.11			101.11
(iii)	Trade and other payble	420.17			420.17

* Includes short term borrowings & Long term borrowings payable after 1 year.
# includes current maturities of long term debts.

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:-

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total long term borrowing on fluctuation rates	162.98	370.36
Increase in profit before tax with each 1% reduction in interest rates	1.63	3.70
Decrease in profit before tax with each 1% increase in interest rates	(1.63)	(3.70)

45 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.

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, 2021

45 Capital Management (Contd.)

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:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrwings (note no.13 (i))	226.63	424.39
Current borrowings (note no.17 (i))	689.27	768.22
Current maturities of long-term borrowings (note no.17 (iii))	42.00	84.59
Total debt	**957.90**	**1277.20**
Less: Cash and cash equivalents (not no. 9 (i),(iii)&(iv))	(389.46)	(325.62)
Net debt	**568.44**	**951.58**
Total equity (note no.11 & 12)	**2142.69**	**1518.75**
Net debt to equity ratio	0.27	0.63
Long term debt equity ratio	0.13	0.34

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 convenants. 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 years ended 31 March 2021 and 31 March 2020.

The company is not subject to any externally imposed capital requirements.

46 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, 2021		As at March 31, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at fair value through profit and loss					
(i)	In Debt based mutual funds	Level 1	101.39	101.39	194.33	194.33
2	Financial assets designated at fair value through other comprehensive income					
(i)	Investment In Listed Equity shares	Level 1	510.61	510.61	158.58	158.58
3	Financial assets designated at amortised cost					
(i)	Investment in Bonds	Carried at amortised cost.	8.46	8.46	5.91	5.91
(ii)	Other Bank Balances	Level 2	8.49	8.49	0.64	0.64
(iii)	Cash & Cash Equivalents	Level 2	71.29	71.29	66.47	66.47
(iv)	Trade receivables	Carried at amortised cost.	115.26	115.26	169.79	169.79
(v)	Loans and other receivable (Non- Current)		26.29	26.29	26.64	26.64
(vi)	Loans and other receivable (Current)		44.06	44.06	45.76	45.76

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial liability designated at amortised cost					
	Borrowings - Non Current	Carried at amortised cost.	226.63	226.63	424.39	424.39
	Other financial liability - Non Current		3.24	3.24	3.67	3.67
	Borrowings - Current		689.27	689.27	768.22	768.22
	Other financial liability - Current		70.74	70.74	139.53	139.53
	Trade payables		305.74	305.74	401.96	401.96
	Total		1,295.62	1,295.62	1,737.77	1,737.77

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).

47 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:

(₹ 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

(i) Detail of CSR Expenditure

(₹ in crores)

Particulars	2020-21	2019-20
a) Gross amount required to be spent by the company during the year	3.87	3.90
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.87	3.90
Total	3.87	3.90

Notes to Consolidated Financial Statements for the year ended March 31, 2021

47 Discosure Required by Companies Act 2013 (Contd.)

(ii) Various heads under which CSR Expenditure is incurred

(₹ in crores)

Description	Relevent Clause of SCH VII of Companies Act 2013	2020-21	2019-20
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.72	0.65
Skill Training & Livelihood	Clause No. II & III	0.67	0.96
Soil, Water & Energy Conservation	Clause No. IV	2.04	0.55
Programme Execution		0.18	0.14
		3.61	2.30
Expenditure done directly by the company			
Social Development	Clause No. I & X	-	0.12
Contribution of PM Cares Fund	Clause No. viii	-	1.00
Soil, Water & Energy Conservation	Clause No. IV	0.20	0.43
Programme Execution		0.06	0.05
Total Expenditure by the Company		3.87	3.90

48 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to ScheduleIII 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	(₹ in crores)
Himshikhar Investment Limited		
As on 31.03.2021	2.57	57.38
As on 31.03.2020	((5.62))	((85.32))

Particulars	Share in profit or loss	
	As % of consolidated profit or loss(beforetax)	(₹ in crores)
Himshikhar Investment Limited		
FY 2020-21	0.14	0.50
FY 2019-20	((1.81))	((4.47))

Particulars	Share in profit or loss (After OCI)	
	As % of consolidated profit or loss (After OCI)(before tax)	(₹ in crores)
Himshikhar Investment Limited		
FY 2020-21	19.93	142.36
FY 2019-20	((100.20))	((71.36))

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

50 Pursuant to notifications issued by Central Government notifying assistance to sugar mills in respect of export for the Sugar Season 2019-20, the company has accounted for ₹189.66 Crore under the head Other operating Income on fulfilment of eligibility conditions.

51 The company is periodically reviewing possible impact of COVID-19 on its business and same is considered in preperation of financial results for the quarter and year ended March 21. 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.

52 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.

53 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

As per our report of even date
For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited.

Deepak K. Aggarwal	Aashhima V Khanna	Anil Kataria	B B Mehta	Gautam Dalmia
Partner	*Company Secretary*	*C.F.O*	*W.T. D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : May 24, 2021

Notes

Notes

Corporate Information

Board of Directors

Rajeev Bakshi
Chairman

Jai Hari Dalmia
Vice Chairman & Managing Director,
(till July 08, 2021)

Gautam Dalmia
Managing Director

Amita Mishra
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

Aashhima 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
Canara Bank
Union Bank of India (Formerly Corporation Bank)
Yes Bank Limited
IDBI Bank Limited
Bank of Baroda

Registered Office

Dalmiapuram - 621651, Dist. Tiruchirapalli,
Tamil Nadu

Corporate Office

Hansalaya Building,
11th & 12th Floor, 15, Barakhamba Road,
New Delhi - 110 001.

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500032

Dalmia Bharat Sugar

11th floor, Hansalaya Building
15 Barakhamba Road, New Delhi - 110001

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F: 011-23313303

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