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Be the change

"तत्परिवर्तनं भव"

Dalmia Bharat Sugar and Industries Limited

Integrated Annual Report 2022-23

Contents

Forward - looking statement

This document contains statements about expected future events and financial and operating results of Dalmia Bharat Sugar and Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the annual report.

Online Annual report
www.dalmiasugar.com

Corporate snapshot

Dalmia Bharat Sugar and Industries Limited.

We are among the youngest and largest sugar companies in India.

We are also the fastest growing.

We are the only sugar Company having a presence in Uttar Pradesh and Maharashtra, India's leading sugar producing States.

We are also among the most resilient.

We have been among the most innovative and differentiated among sugar companies.

The result is that we have emerged among the most dynamic sugar companies in India.

Vision

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

Mission

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

Listing

The Company was listed on BSE and NSE with a market capitalization of ₹ 2735 Cr as on March 31, 2023.

Values

Integrity: Wisdom is knowing which is the right path. Integrity is taking that right path. Integrity is the quality of being honest and having strong moral values. It is our aptitude for doing what's right and not what's easy. We believe it is an opportunity to come out of our comfort zone and create a bridge of faith with those around us. We nurture a habitat where success is measured by conduct and individuals never stray from their line of duty.

Commitment: Motivation gets you started; commitment is what keeps you going. We believe commitment is the power which transforms a promise into reality. It is the bond that glues us with our goals and helps us realize that success is never attained by accident. It makes us believe that where there is a will, there is always a way.

Trust and respect: Trust takes years to build, seconds to break and forever to repair. Respect is earned but trust is gained. The two together remind us of our unique worth, multiply our combined strength and the miracles that each of us are capable of.

Humility: Humility is the concern of what is right and not who is right.

Perfection is impossible without humility. Humility is our ultimate strength; it is our willingness to follow as much as our capacity to lead. It discovers the true measure of our own self and transforms us into being open towards learning and growing. Humility is the bliss of an equilibrium that lets us scale to the next level of greatness that is captured in a single word and summed up in one philosophy.

Pedigree

DBSIL, a part of the Dalmia Bharat Group with a turnover of ₹ 3328 Cr, is a leading sugar producer Company in India. In 1994, the Company entered the sugar industry by establishing a 2500 TCD capacity sugar mill in Ramgarh, a village located in the Sitapur district of Uttar Pradesh. DBSIL is a relatively new entrant among the prominent sugar companies in India. The Company has established itself as one of the fastest-growing sugar companies in India, with a presence in two non-contiguous cane-growing States with experience spanning three decades, navigating various market cycles.

Management

Late Shri Jai Hari Dalmia, who was Vice Chairman and Managing Director of the Company, played a leading role in initiating Company's growth, together with Shri Gautam Dalmia, the present Managing Director and the senior management team.

Key businesses

Sugar: The Company's sugar production decreased by 2% in the financial year 2022-23, reaching 4.78 Lakh tonnes compared to 4.86 Lakh tonnes in the previous year. The Company reported a normative sugar recovery of 11.80% in Uttar Pradesh and 13.28% in Maharashtra during the Sugar Season (SS) 22-23. The higher sugar recovery rate was attributed to the use of superior cane variety and robust cane management practices.

Co-generation: The Company reduced its exposure to the cyclical nature of the sugar industry by producing power from bagasse. By operating co-generation plants at its sugar mills, DBSIL is able to produce renewable energy and lower its greenhouse gas emissions. In FY2022-23, around 39% of the Company's power generation was utilized for its own consumption, while the remainder was sold to the state electricity grid.

Distillery: The Company benefited from an increasing government focus on ethanol blending and in-house raw material availability by using molasses to manufacture ethanol. The Company's ability to produce different grades of alcohol such as ethanol, rectified spirit, and extra neutral alcohol, suggests that it has been able to cater to a wide range of customers, which contributed to a growth in distillery revenues. Distillery revenues increased 45 % from ₹ 698 Cr in FY2021-22 to ₹ 1013 Cr in FY2022-23.

Products

DBSIL has a strong commitment to environmental and social responsibility. During the sugar production process, molasses and bagasse are generated as by-products. DBSIL utilizes molasses to produce ethanol, which is a green fuel, while bagasse is used to generate clean power. This approach not only helps to reduce waste but also generates a 'green footprint' for the Company.

In FY2022-23, 36% of the Company's revenue came from non-sugar products. The Company is striking a balance between economic growth and social and environmental responsibility, strengthening sustainability.

Footprint

The Company is headquartered in Delhi and has manufacturing facilities in Uttar Pradesh and Maharashtra. This is possibly the only instance of a Company with sugar operations in these two non-contiguous States in India.

The Company markets products pan-India, with Uttar Pradesh, Maharashtra, and the eastern states being the major markets. It exports to various locations, including Indonesia, Malaysia, Bangladesh, China, Sri Lanka, Nepal, Bhutan, Middle East, Mediterranean countries, North Africa and East Africa.

The Company is a preferred supplier of sugar to brand-enhancing institutional giants like Coca-Cola, PepsiCo, Mondelez, Perfetti, Britannia, Walmart India, Dabur, D-Mart, India Glycols, Radico Khaitan Bacardi India, United Breweries, Carlsberg, SABMiller and others in the alcohol industry.

Manufacturing capacities

The Company owns and operates five modern sugar manufacturing plants located in two states- Maharashtra and Uttar Pradesh. Additionally, it has five co-generation plants that have a total capacity of 126 MW, spread across these two states. The Company also has four distilleries in Ramgarh, Jawaharpur, Nigohi and Kolhapur, with a combined capacity of 710 KLPD (Kilo Litres Per Day).

Responsibility

The Company is considered to be one of the most respected sugar manufacturers in the country due to consistent investments in integrity, safety, health, and environment. The Company received various certifications that validate its commitment to these areas, including Occupational Health and Safety Management (OHSAS), Environment Management System (EMS), Bonsucro and Food Safety and Quality (FSQ), Food Safety System Certification (FSSC), Supplier Guiding Principles (SGP)

Production capacity

Plants	Sugar (TCD)	Distillery (KLPD)	Cogeneration (MW)
Ramgarh, Uttar Pradesh	6400	140	28
Jawaharpur, Uttar Pradesh	9000	330	36
Nigohi , Uttar Pradesh	9250	120	30
Kolhapur, Maharashtra	8500	120	28
Sangli, Maharashtra	4000	0	4
Total	**37150**	**710**	**126**

Above numbers represent operating capacity.

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 Co Gen Association
- UP Distillery Association
- Indian Bio Gas Association

Our growth story across the years

1994

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

2007

Diversification & Intergration

- Presence in 3 locations in Uttar Pradesh.
- Sugar capacity expansion to 22,500 TCD
- Integration of sugar operations
- Distillery commissioning of 80KLPD
- Co-generation commissioning of 54 MW

2008

Co-generation expansion; total capacity was increased to 79MW in Uttar Pradesh.

2013

Regional Diversification

- Acquisition of a sugar mill in Kolhapur, Maharashtra, with a cane crushing capacity of 2,500 TCD

2014

Enhanced crushing capacity in Maharashtra to 5000 TCD

2015

Step towards sustainable model

- Acquisition of another mill at Sangli, Maharashtra, of 1,750 TCD capacity
- Co-generation capacity expansion at Maharashtra helped increase the total co-generation capacity to 102 MW

2016

Distillery plant was commissioned of 60 KLPD in the Kolhapur unit

2019

Increased Jawaharpur distillery capacity to 120 KLPD and commissioned the Nigohi Distillery (60 KLPD).

2020

Launched a sugar refinery of 1200 TPD at the Nigohi unit. Distillery capacity at Nigohi was expanded to 120 KLPD

2021

Ramgarh distillery was installed with 140 KLPD capacity

Jawaharpur distillery capacity was increased to 220 KLPD

Kolhapur distillery capacity was increased to 120 KLPD

2022

Commissioned the Jawaharpur refinery. Uttar Pradesh crushing capacity increased to 24850 TCD

2023

Ninaidevi capacity was expanded to 4000TCD

Grain distillery of 110 KLPD was installed at Jawaharpur.

Our awards and recognition

Industry Excellence Award by the Sugar Technologists Association of India

The Company's Ramgarh Unit received the prestigious 'Excellence Award' in the sugar industry category

Industry Excellence Award by International Association of Professionals in Sugar and Integrated Technologies

The Company was awarded the prestigious IAPSIT – Industry Excellence Award for outstanding contribution in promoting the sustainable development of the sugar industry

Best DM Plant Manager

The Company's Nigohi Unit plant manager has received best DM Plant Manager award at the National Co-generation Awards

Excellence Award for efforts to boost ethanol production

The Company received Excellence Award for efforts to boost ethanol production, undertake development of value-added products and diversification to enhance sugar quality

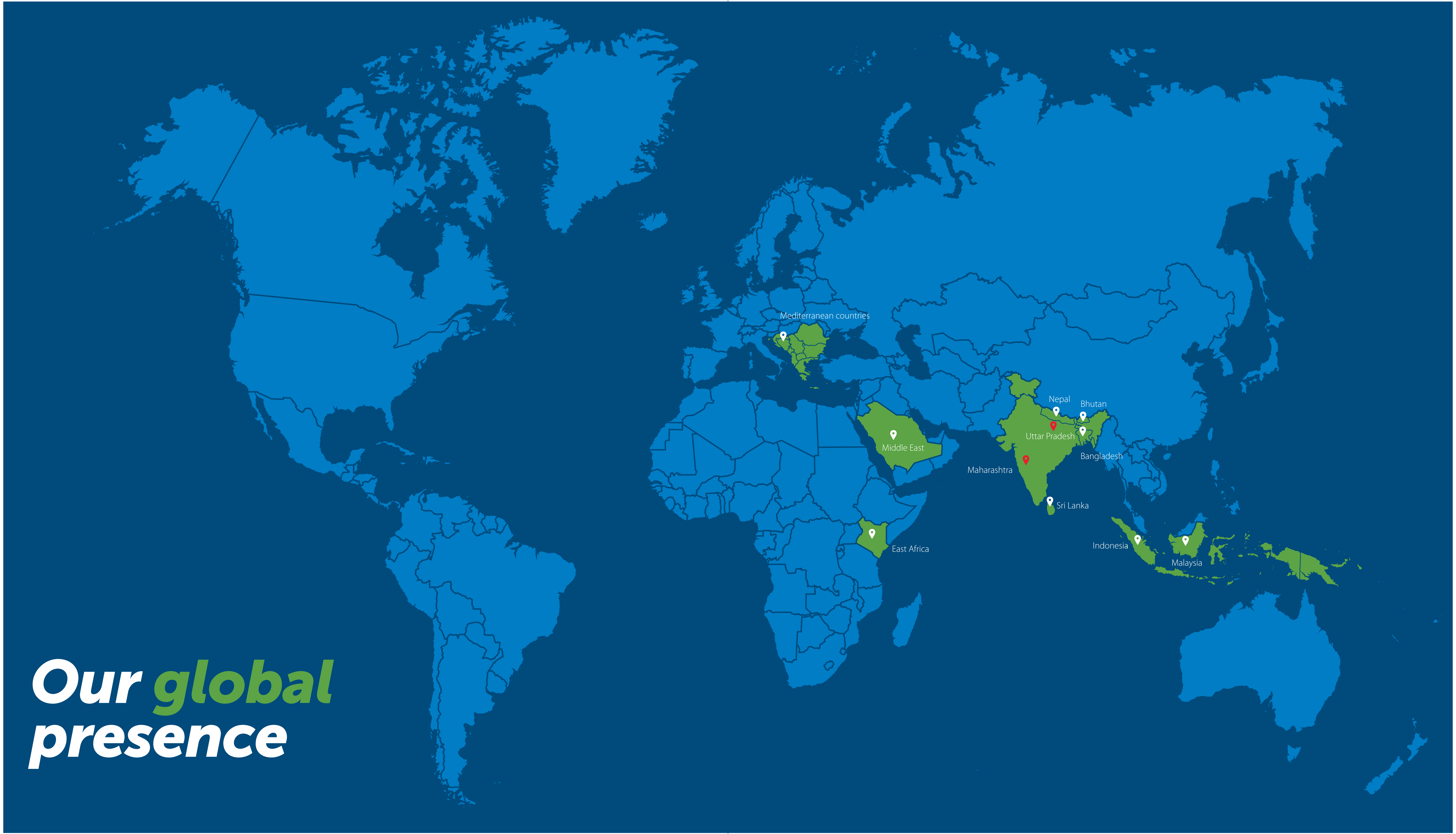
National Award for Excellence in Energy Management

The Company's Nigohi Unit has received the of 'Excellent Energy Efficient Unit Award'.

Sugar and Ethanol India Conference

The Company received this award in recognition of its participation in Sugar and Ethanol India Conference.

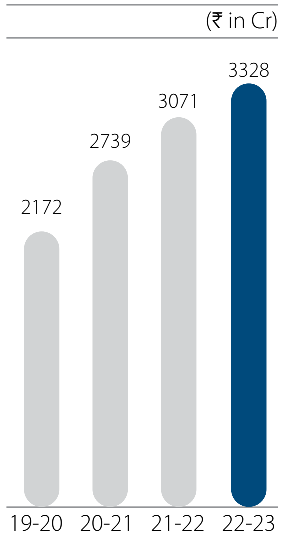
Our global presence



Preferred sugar supplier to prominent

BRITANNIA, PERFETTI van Melle, Carlsberg, Walmart, Dabur, DMart, Coca-Cola, PEPSICO, Mondelēz International, SAB MILLER, Allied Blenders & Distillers, UNITED BREWERIES LIMITED

Our performance across the years



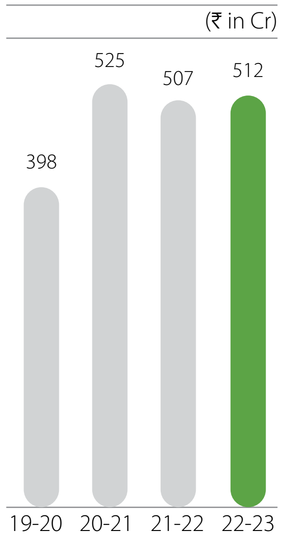
Revenues

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 its retrospective average or sectorial peers.

What does it mean?
The revenue increased by 8% to ₹3328 Cr in FY2022-23 compared to the previous year.

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



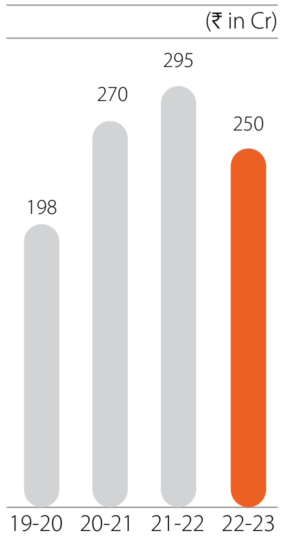
EBIDTA

Definition
Earnings before the deduction of interest, depreciation, extraordinary items and tax and amortization.

Why is this measured?
It is an index that showcases the Company's operating efficiency

What does it mean?
Helps enhance competitiveness, a basis of the Company's ability to build profits in a sustainable manner

Value impact
EBITDA for FY2022-23 was above ₹500 Cr for the third consecutive time, an index of the Company's consistancy in financial performance despite substantial cane price increases.



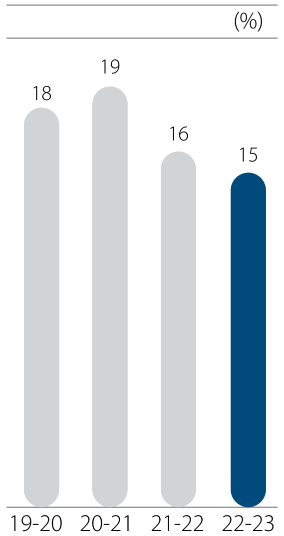
Net profit

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 15 % decline in net profit in FY2022-23, mainly on account of abnormalities towards impairment and deferred tax reversal during FY2021-22.



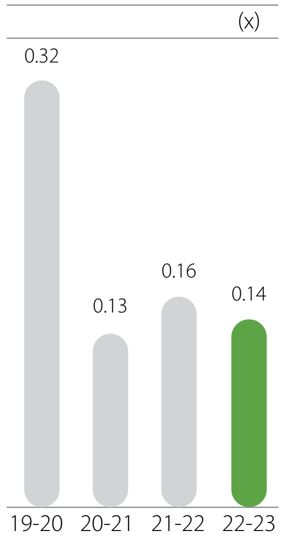
EBIDTA margin

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 EBITDA margin during FY2022-23 of 15%, lower by 100 bps due to higher opening stock valuation on account of a cane price increase in the previous year that could not be fully offset by higher sugar realisations.



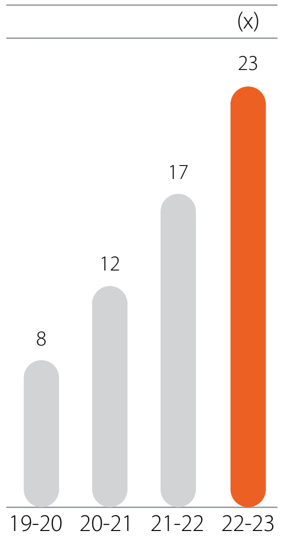
Gearing

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 shareholders by strengthening the equity side

Value impact
The Company's gearing improved from 0.16 to 0.14.



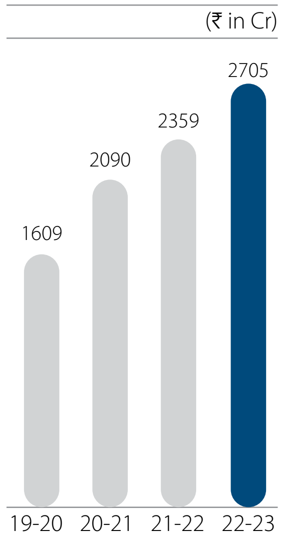
Interest cover

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 17 x to 23 x, backed by an increase in EBITDA.



Net worth

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 mobilize debt).

Value impact
The Company's net worth strengthened by 15% during the year.

First person

We are building a foundation that should translate into sizable and sustainable long-term growth in stakeholder value

Overview

At the outset I would like to highlight that the Company is in a phase of aggressive expansion especially in the distillery segment and has sown the seeds of a significantly higher trajectory of profitability growth in the coming years.

Perspective

Before dwelling further on other aspects, it is imperative to review the government's National Biofuel Policy 2018. The policy articulated a higher blending ratio of ethanol with automotive fuel and empowered sugar companies to switch from the manufacture of sugar (which was earlier seen as mandatory) to ethanol.

This forward-looking policy has proved to be a win-win for all stakeholders in the industry value chain. It has ensured that the benefits of bio-fuel manufacture translate to cane farmers in the form of timely and adequate compensation, helping build the country's agricultural sector from the grassroots upwards and reinforcing the rural economy. The policy has provided the country's sugar industry with a second wind; a number of companies have invested aggressively in their distilleries; within just a few years, even as the larger proportion of revenue is being derived from sugar, the proportion of profit is being largely derived from distillery operations, enhancing shareholder value. The increased use of ethanol in automotive fuel (estimated at around 11% today and likely to increase to 20% in the next couple of years) has already begun to moderate vehicular pollution through a better fuel combustion in automotive engines, benefiting society. The enhanced use of ethanol has helped moderate oil imports with positive implications for the country's foreign exchange reserves and currency strength.

I cannot think of any policy that has had such extensive multi-stakeholder upside as this one, transforming the health of the country's sugar industry in a compressed period of time. The outcome is that a cyclical sector has turned sustainable and is likely to remain so across the foreseeable future.

Performance

The performance of your Company during the last financial year was built around the backdrop of this positive sectorial landscape. Your Company reported a revenue growth of 8%.The Company reported an EBITDA margin of 15%. Increase in cane prices last year resulted

The performance of your Company during the last financial year was built around the backdrop of this positive sectorial landscape. Your Company reported a revenue growth of 8%.The Company reported an EBITDA margin of 15%. Increase in cane prices last year resulted in higher opening inventory carrying cost for the year without commensurate increase in sugar prices.

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Transformation

I must take this opportunity to explain a profitable churn in the Company's revenue and Balance Sheet profiles that should translate into enhanced value across the foreseeable future.

The proportion of revenues being derived from distillery operations increased during the last financial year – from 24% of overall revenues to 31%. Besides, the Company's distilleries operated for an average 314 days, delivering an average (across distilleries) capacity utilization of nearly 100%.

This increased distillery revenue proportion had a transformative impact on the Company's Balance Sheet. The manufacture of sugar is compressed within a period of five months; the sale of that sugar often extends across 15 months. During this period, your Company (as also the sector) needs to store the sugar in its factory. This storage represents blocked inventory that can only be progressively liquidated as per the sugar release advice received from the government. While the sugar lies unsold, the Company is required to invest in working capital (and short-term debt correspondingly mobilized) on its books. This increases the interest outflow and moderates profits. This is how the Company operated for years, becoming a part of its legacy, culture and practice.

This reality has begun to transform. Thanks to the government's permission to companies to move from the manufacture of sugar to ethanol at will, your Company has begun to 'sacrifice' the production of sugar and utilize the cane syrup to manufacture ethanol instead (or utilize the molasses generated from sugar manufacture to do the same). This one switch has transformed the dynamics of the sugar industry and our Company for an important reason: ethanol enjoys a ready market and does not need to be inventorized. The Company can generate immediate revenues and get remunerated in less than a month by oil marketing companies. This quicker revenue inflow has helped your Company moderate its working capital (and related debt) outlay. The result is that the more ethanol we manufacture, the less short-term debt on our books (in addition to interest subvention on long-term loan to set up a distillery, which is an additional bonus).

The result is that the Company's peak working capital outlay has increased from ₹794 Cr to ₹ 887 Cr. Correspondingly, interest outflow moderated from ₹35 Cr to ₹38 Cr even as the Company's revenues grew by 8%. Interest cover (an index of how effectively we cover interest payment through our EBITDA) strengthened from 17x to 23x. The Company's credit rating was maintained at the same level.

The growth of this one business – distillery – has transformed your Company's financial foundation. If one removes concessional debt from the Balance Sheet, the quantum of long-term debt was ₹401.17 Cr as on March 31 2023. Your Company's debt-equity ratio strengthened from 0.17 to 0.15 despite an ongoing expansion programme.

The conclusion that I would want our shareholders to take note of comprise: your Company's growth is being driven by internal accruals; your Company is generating adequate surplus to plough into aggressive capacity growth; this capacity expansion is expected to graduate the Company to one of the largest ethanol producers in Uttar Pradesh in 2024. This capacity expansion is expected to provide the Company with a large and liquid foundation that should translate into a sustainably enhanced shareholder value.

Capacity expansion

Given a positive industry environment, where the government intends to procure an even larger quantum of ethanol, the priority is for an opportunity-driven Company like yours to commission additional distillery capacity.

Your Company possessed a distillery capacity of 710 KLPD as on March 31 2023 following an expansion of 110 KLPD that was commissioned in October 2022. The Company is presently engaged in increasing Jawaharpur grain distillery capacity of 110 KLPD to 250 KLPD that should get commissioned by December 2023. Given the industry optimism, your Company announced yet another expansion – making it two expansions in the pipeline – of 300 KLPD at Nigohi that is expected to be commissioned in September 2024.

I must assure our shareholders that these expansions – even as they have been planned with speed – will only enhance the value of their holdings for the following reasons.

One, the sharp increase in distillery capacity – from 600 KLPD as on March 31 2022 to 1150 KLPD as on March 31 2025 – will translate into an estimated 33 Cr liters of ethanol throughput per annum, which

Paradigm shift from sugar to ethnol and then Penetration to Grain Ethanol will not only lead to better business model but will give us an opportunity to be a leading participant in ethanol blending program.

provides the Company with enhanced revenue and profit visibility.

Two, with virtually all our molasses-based distillery capacity having been optimized, we will commission around 550 KLPD distillery capacity around grain, which will be our future growth driver.

Three, the ratio of sugar capacity to distillery capacity (following our expansion programmes) will be among the lowest in the industry with correspondingly positive upsides for our capital efficiency.

Four, our distilleries will be fueled by bagasse generated from within, obviating the need for the procurement of fossil fuels – a cheaper and cleaner way to grow our business.

Five, we will sustain the switch from sugar to ethanol until sugar realisations rise to the point where it becomes significantly remunerative to produce sugar over ethanol.

Outlook

At Dalmia Bharat Sugar, we have aggressively invested in building productive and profitable assets through net worth as the best way to remunerate shareholders. By doing this, we believe we would be putting capital to the best use. This policy will be sustained across the foreseeable future.

We believe that we are building a foundation that should translate into sizable and sustainable long-term growth that should enhance value for all our stakeholders in a sustainable way.

Gautam Dalmia
Managing Director

At DBSIL, we are engaged in a legacy business with a modern mindset.

At DBSIL, we are engaged in a legacy business with a modern mindset.

This contemporary approach has been reflected in forward-looking investments by the Company in advanced equipment across the decades, resulting in enhanced plant availability, utilisation and operating efficiency.

The Company is at the cusp of gradating its systemic contemporariness to the next level through a digitalization programme. The Company has engaged a multi-national consulting company to conduct a study on the various probable interventions by the Company across its processes that could generate superior sustainable automated processes and outcomes.

The digitalization will be directed at specific outcomes: a replacement of the manual with the automated; a phased reduction in processes; targeted reduction in costs; an increase in people productivity.

We see this digitization graduate the Company into a new age where scalability does not translate into proportionately increased costs.

①

Our culture of digitalisation will graduate the Company to the next level

②

Our culture of operational excellence in FY2022-23

At DBSIL, we pride on our operational excellence in a business marked by variables.

Our capacity to address deviations from foreseen realities with speed underlines our operating culture. This was visible during the year under review when parts of our command areas were affected by the red rot disease that affected cane health. Your Company's cane development teams addressed this outbreak with speed and decisiveness: the affected cane stalks were cut and disposed; an ongoing check ensured no new outbreak.

The Company extended its response from the tactical to the strategic: it moderated the coverage of the erstwhile successful CO 0238 cane variety that had shown a growing indication of disease susceptibility. The Company moderated the coverage of this variety across its command areas from 90% in the previous year to 65% during the year under review, one of the fastest varietal replacement programmes by sugar companies in Uttar Pradesh (targeted to reduce to 50% during the current financial year).

This responsiveness and other initiatives were responsible for better sugar recovery with our Ramgarh plant reporting the maximum recovery across all sugar mills in Uttar Pradesh. Besides, the blended normative recovery of 12.19% across the Company's units (Maharashtra and Uttar Pradesh) was arguably the highest across sugar companies in India.

3

Our investment in the next round of growth

At DBSIL, we are among India's youngest sugar companies – especially among those companies with a sizable capacity.

During the last three decades, the Company emerged among the fastest growing in its sector, convinced that rapidly enhanced scale would translate into superior operating economies that would protect the Company's viability during industry downtrends and enhance viability during recovery.

Since the Company came into existence, its gross block has grown from scratch to ₹2804 Cr (March 31 2023). The Company invested in segments where it was likely to generate the highest return. In the last three years, for instance, 40% of its investment was allocated to the distillery business where the Company perceives a disproportionate opportunity. Besides, this plough back has been consistently higher than the dividend outgo, driven by the insight that cash in the hands of the Company would generate a larger return - for longer.

This is a distinctive perspective that the Company has brought to its expansion programmes. The Company is engaged in commissioning two grain-based distilleries, which should cumulatively add 440 KLPD to its distillery capacity.

The aggregate output from the distilleries is expected to graduate the Company to one of the largest ethanol producers in India across the foreseeable future with a total capacity of 1150 KLPD and a projected throughput of 33 Cr litres.

At DBSIL, we are engaged in the most aggressive asset building programme in our existence.

This asset expansion programme is expected to generate sustainable multi-year returns.

An important part of this sustainability is the capacity to prudently cost the expansion and schedule it in a manner that it is commissioned on time and within planned costs.

This disciplined holistic project management represents the foundation of multi-year sustainability.

At DBSIL, we completed the Jawaharpur grain distillery of 110 KLPD capacity in November 2022. The distillery was operated at almost 93% capacity utilization during the rest of the financial year under review.

Going ahead, the Company intends to commission one more grain-based distillery of 300 KLPD capacity at Nigohi and increase the Jawaharpur capacity to 250 KLPD from 110 KLPD for a consolidated investment of ₹550 Cr.

The Jawaharpur expansion will be commissioned during the FY2023-24 and the Nigohi capacity will go in stream by mid FY2024-25.

By betting on sizable capacity expansion and investing in disciplined commissioning, the Company is optimistic that these grain-based distilleries will strengthen the Company's proportion of non-sugar revenues, strengthening business sustainability.

4

Our growth foundation – within time and cost targets

Integrated Value-Creation report

Overview

The Integrated Value Report has emerged as a principal disclosure tool in the corporate reporting sector.

In this overview, we present the reporting framework that makes it possible to communicate corporate performance through the Integrated Reporting prism with reasonable detail.

Report Profile

About our Integrated Annual Report

DBSIL replaced the conventional financial and sustainability reporting frameworks with an integrated alternative in FY2021-22. This was intended to provide a unified perspective of how the Company creates value in the short, medium, and long-term. The Company is one of few Indian sugar companies to publish such a report.

Frameworks

This report covers all publicly available ESG metrics relevant for FY2022-23. The Company adopted the IIRC framework for integrated reporting (www.integratedreporting.org) by which the Annual Report has been included in the Integrated Report. The Company provides a brief integrated account of its strategy, governance, performance, and prospects, covering key non-financial performance indicators (material to the Company as per GRI).

This voluntary initiative also comprises newly introduced Business Responsibility and Sustainability Report, establishing links between environment, social and financial outcomes.

Scope of reporting

Reporting period: The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance from April 1, 2022 to March 31, 2023

Reporting boundary: This report covers information about the operations of the company.

Financial and non-financial reporting: The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to enhance value.

Materiality

This Integrated Annual Report focuses on information that is material to its business. It provides a concise overview of the Company's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.

- Social
- Economic
- Environmental

Our capitals

All organizations depend on various forms of capital for value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capital available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

- Financial Capital
- Manufactured Capital
- Human Capital
- Social and Relationship Capital
- Intellectual Capital
- Natural Capital

Stakeholders

Our relationships play a key role in our efficiency to deliver holistic business solutions to our stakeholders.

- Employees
- Investors and shareholders
- Customers
- Partners and suppliers
- Regulatory and public policy makers
- Communities and NGOs

Report alignment

This report aligns with the following principles and guidelines :

- International <IR> framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (UNSDGs)
- United Nations Global Compact Principles (UNGC)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business (NVG-SEE)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Supporting the UNSDGs

Management responsibility statement

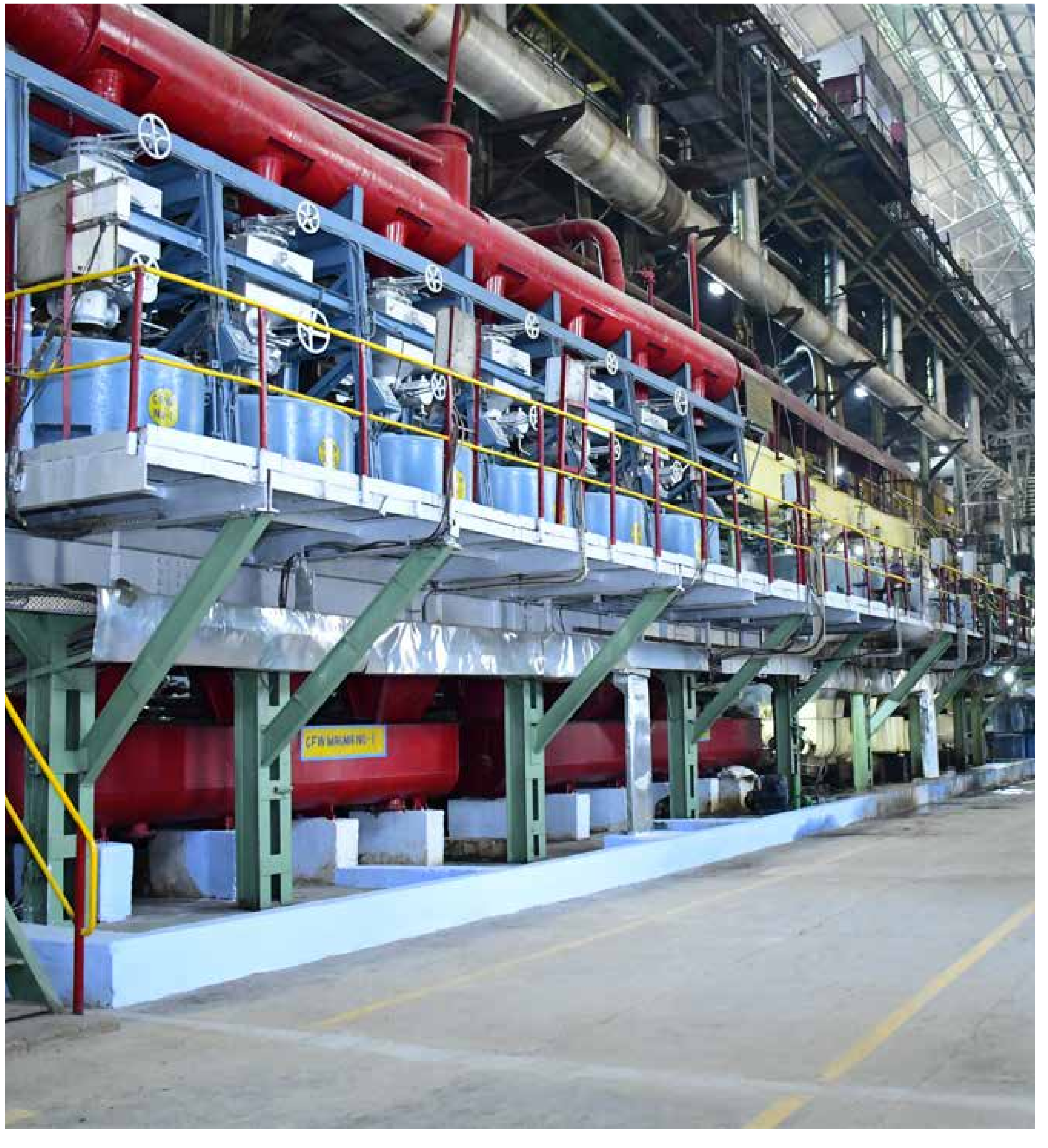
The management acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. The management , accordingly, believes the report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner.

Forward-looking statements

Certain statements in this report constitute 'forward looking statements', which involve known and unknown risks and opportunities, other uncertainties, and important factors that could turn out to be materially different following the publication of actual results.

These forward-looking statements speak only as of the date of this report. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

DBSIL has been built to enhance value



Economic impact	Social impact	Environmental impact
Salaries and benefits: Value we create for our employees. **Taxes:** Value through our contribution to the government exchequer (through direct and indirect taxes) **Interest and dividends:** Value for lenders and shareholders.	**Talent development:** Value through education (created outside) **Social:** Value through social initiatives and inclusive business **Health and safety:** Value through prevention of workplace injuries and workplace wellbeing	**GHG:** Moderated greenhouse gas emission. Specific GHG emissions (TCO2/MT of cane) were maintained at the same level as previous year. **Air:** Moderated emission of potentially noxious substances. Air emission quality improved by 2% in FY2022-23. **Water:** Reduced use of this precious resource (through treatment and reuse). Specific water consumption (KL/MT of cane) reduced by 42% in this financial year compared to the previous year. **Waste to wealth:** Upcycling of waste

Material issues impacting value creation

The Company analyses environmental, social, and governance issues impacting the business, value creation and stakeholders. These influence strategic priorities, mitigate actions and influence our effect on the environment and stakeholder value.

We analyse the environment through a quadrennial materiality exercise involving all internal and external stakeholders to identify material issues. We create a list of potential material aspects by analysing material issues encountered by peer companies, Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI).

Identifying Material Issues
Study of internal and external factors

Product value chain and SWOT analysis

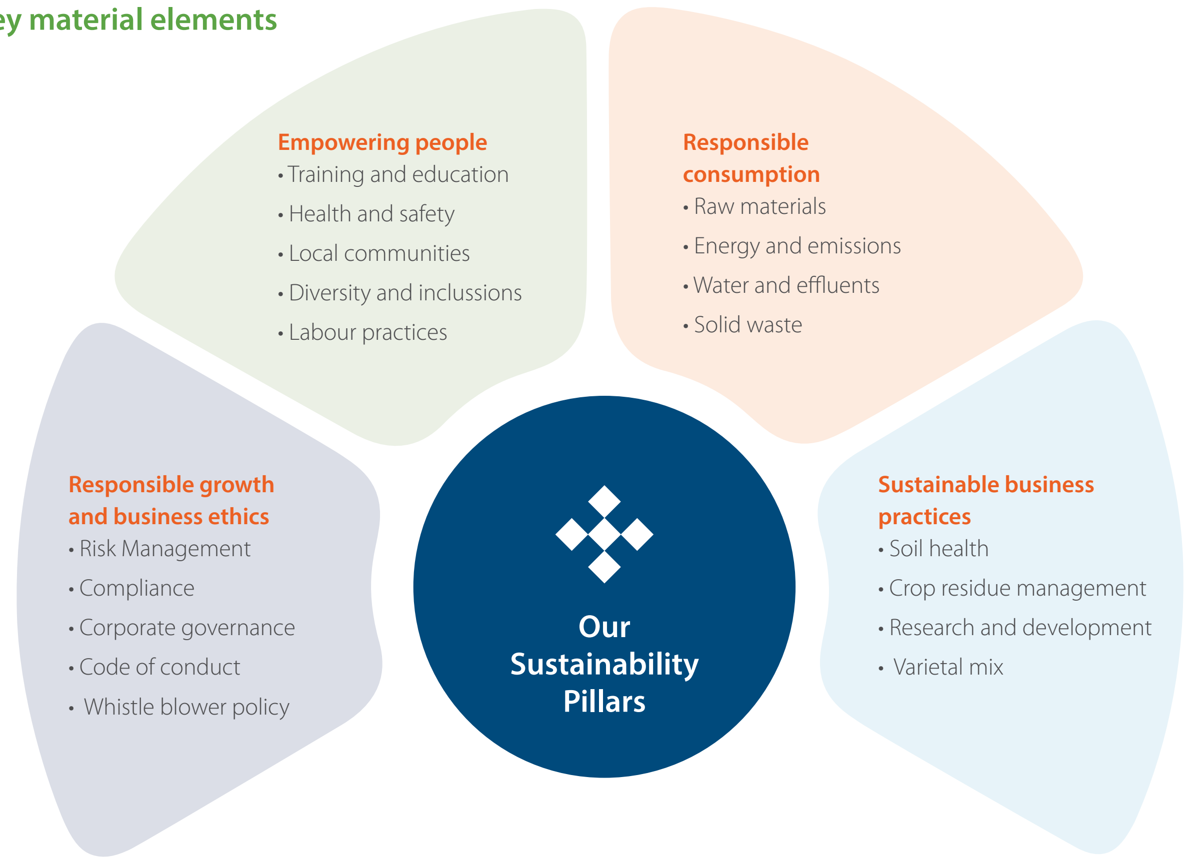
Evaluating Current Status
Engaging with internal cross function team

Mapping Ambitions
Revamping the strategy to align with all teams

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

The Company shortlists material elements under four pillars: empowering people, responsible consumption, responsible growth, business ethics and sustainable business practices. The materiality issues are reviewed and analysed annually.

Key material elements



Risk management

The Company's evolving business landscape exposes it to several risks. The risk management process helps identify, assess, mitigate, and monitor key risks, which emphasizes risk discussions and risk oversight (by Risk Management Committee / Board of Directors).

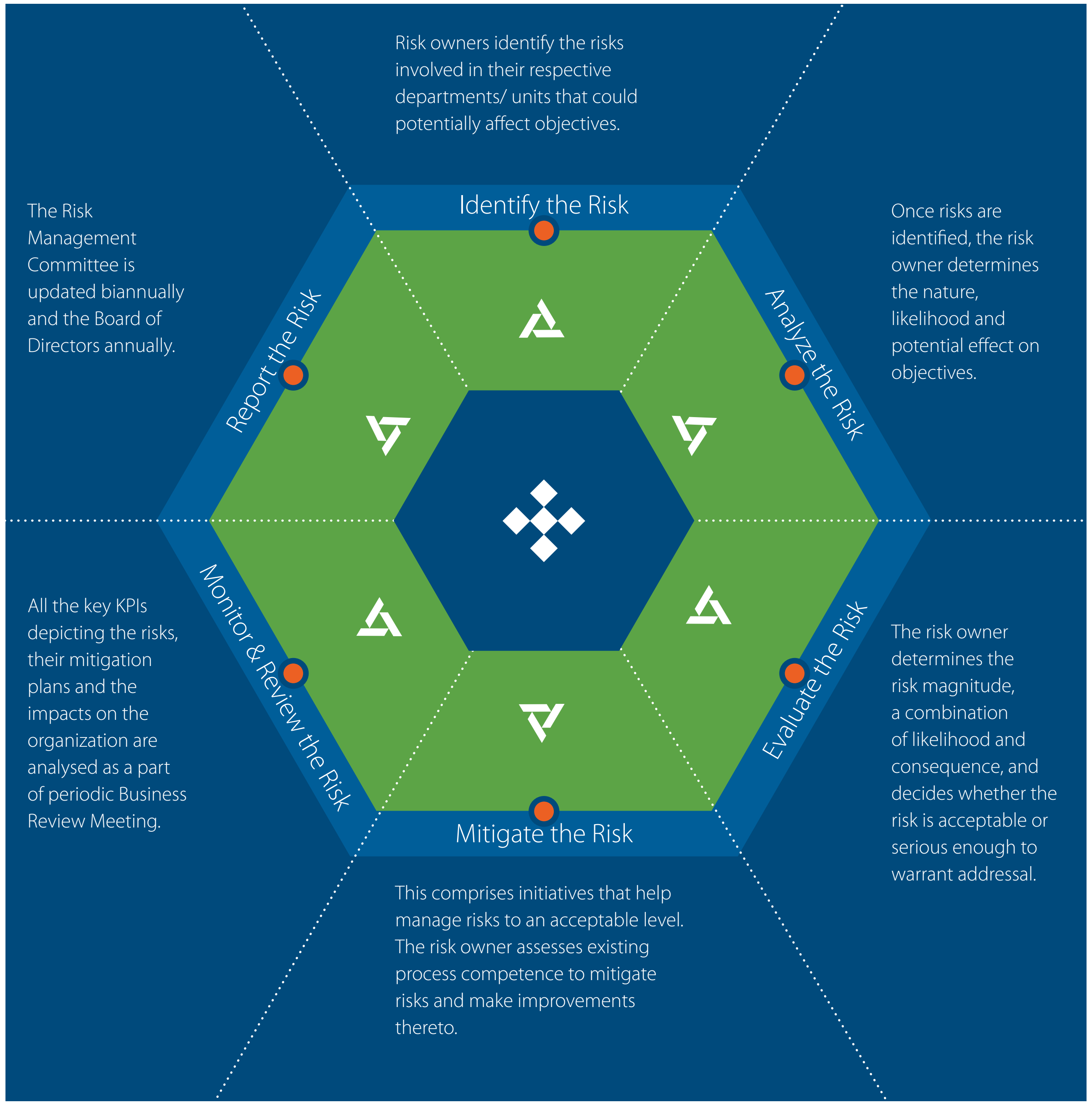
Risk agendas include all risks, trends and concerns that could impact the Company in the short (zero to two years), medium (two to five years), and long term (five to ten years). Other risk management areas and processes complement the surveillance and risk management function: Process Assessment, Internal Control, Legal, Financial Risk Management, Compliance and Sustainability.

Risk management structure

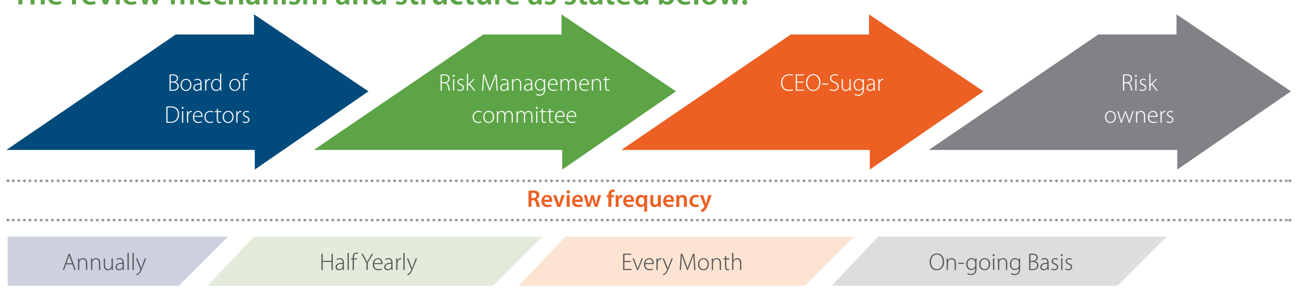
For the successful implementation of the risk management framework, senior management individuals lead risk management teams. Periodic workshops ensure risk awareness, ensuring that risk management is embedded within.

Approach to risk management

The Company's risk management framework is founded on sound organisation design principles that are periodically reviewed. The integrated ERM framework is based on COSO (Committee of Sponsoring Organisations of Treadway Commission) and customized. Whether risks are external/ internal to the Company, or can / cannot be directly influenced/ managed, they are addressed by a common set of processes through the risk management process.



The review mechanism and structure as stated below.



The Company's business model

What we access

Passionate people
Our 3471 people invest their skills and time across our offices, factories and respond with enhanced creativity and agility.

Trusted suppliers
Our network of hundreds of suppliers supply aggregate materials and provide us dependable services.

Committed partners
Our multi-stakeholder relationships (with governments, farmers, customers, NGOs and others) widen our impact.

Input materials
We consume a range of raw materials, packaging materials and chemicals to manufacture and supply products.

Financial resources
We aggregate financial resources from capital/debt providers to enhance long-term sustainability.

Intangible assets
We invested in a range of research competencies, manufacturing capability, technologies and organisational structure.

Owned and leased assets
We own / lease five manufacturing facilities and warehouses across India.

What we engage in...

Consumer insights
We access consumer insights through periodic engagements with trade partners and institutional customers.

Innovation
We utilize insights aggregated from the market, specialists and employees to build products and brands.

Sourcing
We buy raw material and packaging materials to manufacture products and supply the same.

Manufacturing
We employ proprietary and third-party infrastructure to transform resources into finished products.

Marketing
We advertise products; we create digital content that make it easy for consumers to buy our products.

Sales
We use multi channels to provide products to consumers wherever convenient for them. Our products are available at various outlets across India.

Consumer use
A wide spectrum of consumers use our products every day to address their needs.

This is how we enrich stakeholders...

Consumers
We provide superior products and brands that address customer needs

People
We reward talent fairly, resulting in extended and meaningful engagement.

Customers
We engage with trade partners and retailers to generate mutual business growth.

Suppliers & partners
We engage deeper with suppliers to manufacture better products, resulting in business sustainability

Planet & society
We focus on protecting planet health and widening our prosperity circle

Shareholders
We focus on enhancing shareholder value through consistent, profitable and sustainable growth.

Statement of value created during the year under review

Financial capital

The Company's prudent practices have strengthened our Balance Sheet.

- **₹512 Cr** EBIDTA
- **₹45.9/share** Cash earnings per share
- **₹30.90** Earning per share (EPS)
- **₹56 Cr** Repayment of borrowings
- **₹371 Cr** Cash operating profit
- **0.15 (times)** Debt-Equity Ratio
- **2.73** Current ratio

Manufactured capital

The Company invested in efficient manufacturing capacities coupled with efficient logistics to moderate its environmental footprint.

- Sugar **4.78 LMT**, Alcohol **17** Cr Liters — Manufactured throughput
- **24.20 Cr units** Renewable power exported to the grid — Manufactured value
- **5** Manufactured units

Human capital

The Company's management, employees and contractual workers form a part of its workforce with their experience and competence, enhancing organisational value.

- **3471** Employees
- **62.32** Percentage of employees less than 45 years old
- **187** Employee benefits (₹ Cr)
- **34** Hours per person of training

Intellectual capital

The Company's focus on cost optimization and operational excellence as well as its repository of proprietary knowledge account for its rich intellectual resource.

58
Research spending (₹ Cr)

0.20
Research spending as % of revenues (in %)

30
Cumulative senior management experience (person-years)

44
Percentage of employees with the Company for 5+ years

Natural capital

The Company consumes raw materials sourced from nature. Its activities are directed to have only a nominal environment impact.

Significant investment in eco-friendly technologies

100
percentage of all water from the process, the recycled quantum

83
Water recycled as a % of total effluent in FY2022-23 compared to 63% in FY2021-22

Social and Relationship capital

The Company's relationships with communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

5000+
Vendors

~4000
Primary customers

55,391+
Community lives touched

100
% of consumer complaints resolved

Sharing and investing the value created

3252
₹ Cr, Turnover, FY2022-23

371
₹ Cr, Cash profit in FY2022-23

250.07
₹ Cr, Net profit in FY2022-23

Value-creation activity, FY2022-23

Employees

187
Invested in employee remuneration (₹ Cr)

Vendors

1811
Quantum of materials procured (₹ Cr)

Investors

32.38
Paid out as dividend (₹ Cr)

Communities

6.97
CSR spending (₹ Cr)

Capital expenditure

242
Capex for technology and capacity creation (₹ Cr)

Exchequer

120 Cr
Spending in exchequer contribution (₹ Cr)

Outputs

Financial capital
Sustainable and responsible financial growth; shared profitability

Intellectual capital
Differentiated solutions through responsible innovation

Human capital
Recruiting, developing and caring for a diverse and inclusive workforce

Natural capital
Preserving biodiversity, reducing water cum energy consumption, emissions and waste

Manufactured capital
Additional capacity, acquisitions, and sustainable products manufacture

Social and relationship capital
Livelihoods (regenerative and sustainable farming and skilling), climate action (water harvesting and energy) and social infrastructure

How we engage with our stakeholders

We take an inclusive, collaborative and responsive approach to developing stakeholder relationships, while empowering our businesses to deliver local engagement in a transparent way. Regular engagement with our stakeholders enables us to build trust and respond to the opportunities and challenges the markets throw up while carrying out requisite changes in our internal processes and systems. Our active engagement with stakeholders to understand their requirements and address them, are based on our commitment to sustainable value creation. A planned system of engagement ensures the timely communication of precise and relevant information to, and interaction with, each stakeholder group in a consistent manner.

Stakeholder group	Why they are important	Their interests	Mode, frequency of engagement	Topics of engagement	Activities
Employees	Our employees are at the center of all our operations. Their collaborative skill and expertize are essential for our growth	>An inclusive work culture >A spirit of innovation while interacting with a unique set of markets and customers >Enriching career and development opportunities	> Periodic engagement with the CEO > Senior management interactions > Performance Management System >Sustainability portal > Intranet > Online issues resolution > Call center for support > Direct communication with senior leaders > Grievance mechanism > Whistleblower (integrity cases) > Virtual engagement initiatives > Health initiatives – physical and mental	> Local employment generation > Happy and productive employees > Employee growth and development > Human rights > Safety > Diversity and equal opportunity > Community initiatives	Engagement is fostered through regular interactions between senior management and employees. We conduct various programs to develop the skill sets of our employees. We also focus on employee welfare by gauging employee expectations and conduct specific engagement events for different groups. The Company adopted an open-door policy where any employee has access to the Company's leadership at any point of time
Partners and suppliers	Our operations are closely linked with the timely availability of services that we source. These, in turn, have a material impact on the efficiency of our service delivery	> Open, transparent and consistent process >Willingness to adopt supplier-driven innovation	> Operational review – ongoing > Engagement forums – ongoing > Specific category and service partner meet – annual > Supplier satisfaction survey – bi-annual > New supplier portal	> Brand > Supplier engagement and development > Compliance with regulatory/ statutory requirements	To ensure quality and compliance with applicable environmental, social and governance standards, we engage closely with our suppliers for audits, training and knowledge exchange
Regulators and policymakers	Key for ensuring compliance, interpretation of regulations and uninterrupted operations	> Strong capital base and liquidity position > Robust standard of conduct > Positive sustainable development, both environmental and social	> Continued engagement and representation > Quarterly and Annual Compliance Reports > Workshops > Panel discussions with nodal industry bodies and industry associations > Steering committees	> Credit rating > Governance > Transparency and disclosures > Investor security > Representation with regulators > ESG aspects	We focus on creating a business-friendly environment that supports overall industry growth

Stakeholder group	Why they are important	Their interests	Mode, frequency of engagement	Topics of engagement	Activities
Customers	Customer feedback, or as we call it, the Voice of customer, is key to process improvements, quality enhancement, service performance and cost optimization	> Differentiated service offering > Digitally enabled and positive experience	> Project feedback through surveys – operational and mid-level contacts – Quarterly > Customer experience survey – CXO and senior level contacts – Annual > Customer visits – Quarterly > Steering Committee meetings for big customers – Quarterly	> Digital disruption > Customer need identification and satisfaction > Brand > Customer privacy > Product portfolio	Our endeavor is to provide our customers value-added and competitive solutions tailored to the present and future needs of their end users
Communities and NGOs	A harmonious relationship with the communities where we operate is key to our social license to operate; they are our partners in progress	>Positive, social and economic contribution >Support for the long term >Climate change and environmental issues	> CSR initiatives – Ongoing > Volunteering activities > Community need identification – Ongoing as per CSR project requirement > Community engagement initiatives > Impact assessment studies	> Local employment generation > Gender equality > GHG emissions > Waste management > Community initiatives	We believe in developing and steering long-term relationships with our local stakeholders across the globe. The Company spearheads all activities related to its contribution to society

Materiality

Issues that impact value creation

To achieve long-term success as a responsible and sustainable business, it is important to understand and resolve the material issues impacting our performance and guiding the perception and decisions of our stakeholders.

Through our sustained engagement with our stakeholders, we are able to ascertain the material issues that govern our strategy development, corporate governance, and reporting processes. Each focus area impacts the Company's ability to create value in the short, medium and long term. We believe that effectively managing our material issues are critical to achieving our strategic objectives and meeting stakeholders' expectation.

How we assess materiality

Through our annual materiality assessment, we engage internal and external stakeholders so that we have an improved understanding of the issues that directly impact our ability to create value. These issues are not static and they change on the basis of changes in our external operating environment and the evolving expectations of our stakeholders. We conduct the materiality mapping exercise as a way to link materiality to stakeholder concerns, and for setting long-term goals and strategy.

The Company's Natural Capital

Introduction

For an agriculture-based Company like DBSIL, Natural Capital represents the heart of its business and the rationale for its existence.

The success of the Company's Natural Capital is based on how competently it addresses the interests of its principal stakeholder – the cane farmer.

The increasing procurement of this single natural resource initiates a virtuous cycle that translates into growth across three businesses and widens rural prosperity.

The focus of Natural Capital is to unleash the fullest value of this stakeholder and enhance its process integrity that helps protect Natural Capital or the other capitals. The Company's farmer support has been reinforced through the following initiatives:

- 100% purchase of all the cane offered to the Company, enhancing farmer confidence
- Timely payment for cane purchase, strengthening farmer liquidity
- Playing an assistive role for farmers in helping them enhance incomes
- Playing a catalytic role in helping farmers strengthen yields through new cane varieties
- Developing low water farming techniques
- Developing a holistic approach towards stakeholder value creation and building a circular economy
- Contributing to India's fuel security and environment sustainability

Big numbers

2.15
Lakh, engagement with farmers, FY2022-23

1.50
Lakh acres, command area outlay across which cane was mobilized, FY2022-23

1811
₹ Cr, quantum of cane procurement in FY2022-23

1762
₹ Cr, quantum of cane procurement in FY2021-22

53.75
LMT, quantum of cane procurement in FY2022-23

52.63
LMT, quantum of cane procurement in FY2021-22

Materiality issues addressed

- Need to reduce water consumption and effluents discharge
- Need to moderate waste management
- Enhance the proportion of renewable and clean energy
- Enrich local biodiversity
- Strengthen processes to enhance energy efficiency
- Moderate air emissions
- Need to extend the circular economy approach of the Company

Strategic goals

Immediate priority

- Map the water footprint to estimate accurate water drawal, consumption, discharge and losses, resulting in informed water conservation initiatives
- Conduct soil analysis across farms, estimate the effectiveness of organic manure (press mud, bio compost and K-ash)
- Strengthen soil and water conservation through engagement and training

Medium-term

- Deepen water conservation through rainwater collection reservoirs and other initiatives
- Develop the infrastructure for soil and water conservation through village ponds, bore wells, recharge structures, farm levelling, mulching and vermi-compost pit etc.
- Capacity building for farmers at each site to cross-transfer best practices

Long-term

- Work with farmers to moderate the use of chemical fertilizers
- Work with farmers to increase area under organic matter
- Engage with all farmers associated with each factory to conduct a soil sample analysis
- Keep each unit at a zero liquid discharge level

The principal risks and counter-initiatives related to Natural Capital

The legal and regulatory environment related to disclosures, emissions, water and climate change are perpetually changing, warranting compliance. Besides, there is an excessive dependence on cane productivity for success and this is, in turn, influenced completely by climate factors at a time of climate change.

The key focus areas to counter the risks comprise a periodic review of compliance policies and procedures as well as system improvements to minimize energy intensity and dependence on non-renewable sources. There is also a concerted initiative to engage actively with farmers to enhance cane output in a sustainable manner.

The Company's environment approach

DBSIL's green growth journey is marked by an investment in technologies leading to operational efficiencies as well as resource savings – getting more out of less. More specifically, the Company's environment management has comprised the 5R's approach (reduce, restore, recycle, renewable and replace) resulting in the following initiatives:

Resource conservation: Reduced consumption of chemicals, power and water through optimized processes

Pollution control: Emissions and pollutants discharge were moderated through a proactive investment in pollution control technologies. Dalmia was among the first Company in India to introduce electrified gravel bed precipitators to reduce particulate matter from the slop incineration boiler (under commissioning). The Company is embarking on a plan to optimize and recycle maximum water. The Company achieved 100% water recycling and invested in energy saving projects.

Waste management: Collection, transportation and disposal of waste products through material recycling and reuse; implementation of prudent waste disposal.

Water conservation: Reduced water use and wastewater discharge through the implementation of water-saving technologies; water reuse programs and optimized processes to reduce wastewater generation and ground water drawal.

Bonsucro

Sustainability pillar	Environmental	Social	Economic
Strategic aim	Improve the environmental impact of sugar cane	Strengthen decent work and respect for human rights in sugarcane farming and milling	Create value across the supply chain
SDG contribution	**SDG 6:** Ensure availability and sustainable management of water and sanitation for all **SDG 11:** Protect and restore sustainable use of terrestrial ecosystems **SDG 13:** Take urgent action to combat climate change and its impacts	**SDG 5:** Achieve gender equality and empower women and girls **SDG 8:** Promote sustained and inclusive economic growth, full and productive employment and decent work for all	**SDG 8:** Promote sustained and inclusive economic growth, full and productive employment and decent work for all **SDG 12:** Ensure sustainable, consumption and production patterns

Bonsucro

The Company enlisted for Bonsucro membership, a global organization that promotes sustainable sugarcane production, processing and trade.

Bonsucro strategy

These are shown in the strategy circle below

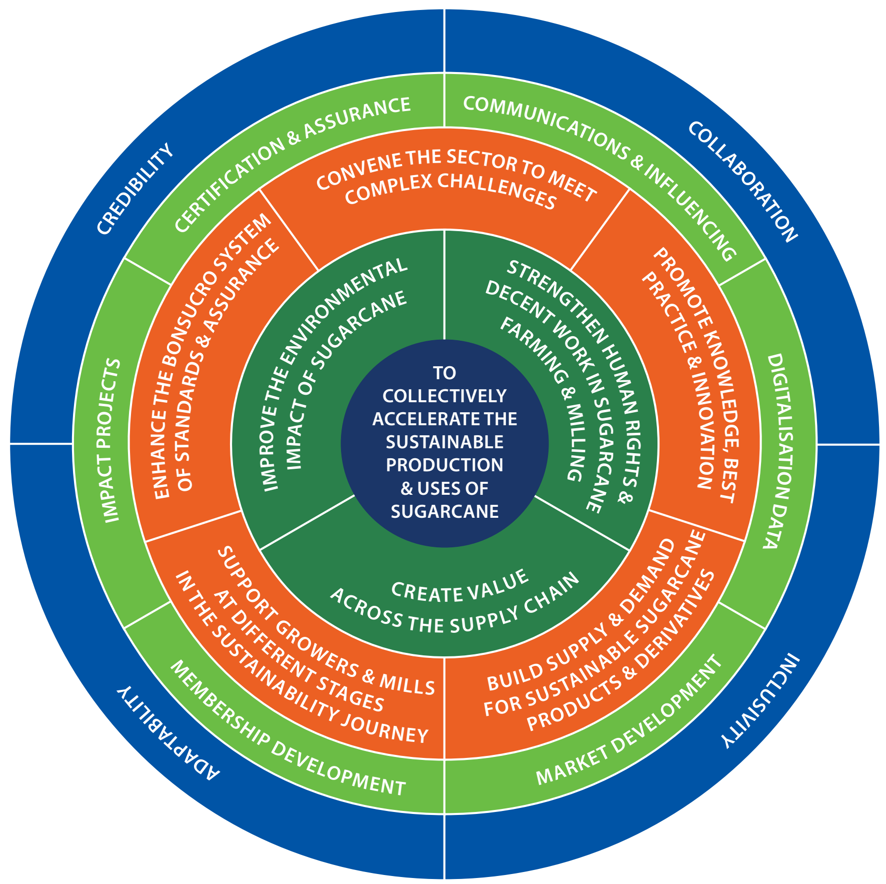
Purpose

Strategic

Priorities

Activities

Principles



How we promote sustainable agriculture

Overview
At DBSIL, cane availability cum quality influence business success; cane availability helps optimize production on the one hand whereas cane quality directly influences mill recovery on the other. The Company deepened its farmer relationships with the objective to enhance farmer throughput and prosperity, coupled with the Company's growth – a virtuous cycle.

Our cane sourcing effectiveness
The Company procures cane from around 2,00,000 cane growers (small and medium scale) and a cane area of around 1,20,000 hectares across five manufacturing units (three in Uttar Pradesh and two in Maharashtra). Around 70% of the cane was procured at the mill gate in FY2022-23, making it quicker and economical for growers to supply.

Our farmer support initiatives
The Company shares knowledge around sustainable agricultural practices with farmers. Farmers are encouraged to increase the use of organic formulations, which is then monitored for suggestions related to quality and cane yield improvement.

The Company encourages farmers to grow robust cane, marked by enhanced

farm yields. It encourages irrigation practices by enhancing rural water retention through the renovation of rural ponds and the construction of bore well recharge structures that enhance water table levels.

The Company provides press mud, k-ash, vermi-composting and bio-compost to farmers that incentivize a reduction in the use of chemical fertilizers and insecticides. This, in turn, ensures long-term soil fertility and biological balance. The Company's in-house soil testing lab analyses the soil samples of farmers that provide better farming solutions. It guides small and marginalized cane growers in the selection of the right variety of cane seed, agri-inputs and agronomical practices.

Project Parivartan
DBSIL launched Project Parivartan in 2021 to address issues pertaining to cane varieties and diseases in Uttar Pradesh across its manufacturing facilities and achieve a recovery of 11.80% in Uttar Pradesh.

In view of this, the Company selected to play the role of a responsible evangelist and the result of sustained propagation is that early maturing cane covers 95% of its command areas; cane yields are expected to enhance from 500 quintals per hectare to 750 quintals per hectare in the space of five years ending 2025-26.

This increased farm coverage and yield have helped transform farmer incomes, deepening the cane growing culture and creating a long-term pipeline of resource sustainability.

Varietal improvement
Sugarcane is vulnerable to different biotic and abiotic factors like diseases, insects, pests and climate change. This moderates cane yield and sugar recovery. This makes periodic varietal improvement initiatives important for climate resilience and cane cultivation. DBSIL is committed to a varietal improvement program, prompted by proprietary research and development leading to the introduction of enhanced cane varieties.

The Company moderated the coverage of the erstwhile successful CO 0238 cane variety that had shown growing disease susceptibility. The Company moderated the coverage of this variety across its command areas from 90% in the previous year to 65% during the year under review, one of the fastest varietal replacement programmes by sugar companies in Uttar Pradesh (targeted to reduce to 50% during the current financial year).

Major cane varieties in Uttar Pradesh
• C 0238 • C 14201 • C 15023 • C 84096

Major cane varieties in Maharashtra
• C 086032 • C 92005• C 9057• C 10001

Inter-cropping with sugarcane
Sugarcane is a long duration crop, standing in the field for 12 months. The large inter-row spacing provides an opportunity to raise a suitable inter-crop. The Company promotes growing an additional crop with sugarcane to increase gross productivity of land per unit area, generating an extra income for the farmers.A number of crops can be grown as an inter-crop like mustard, green gram, cow peas, onion, coriander, ladies finger, tomato, lentil, garlic, pea and radish, among others. Leguminous inter-crops provide benefits of nitrogen enrichment and green manure to the soil.

Enhancing sustainable agriculture
Regenerative agriculture: Regenerative agriculture is becoming increasingly relevant as farming and grazing practices that reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity. This is resulting in a carbon drawdown while improving the water table. The Company is working to improve water usability, soil health and agricultural techniques to promote regenerative agriculture.

Soil regeneration: The Company distributed organic potash fertilizer directly to farm areas through dealers on a 'door delivery model' as a part of the programme to enrich organic soil content.

Sustainable sugarcane production: DBSIL was among the first sugar companies in Asia and among a handful of global sugar players to be awarded the Bonsucro International Certification for sustainable sugarcane production. This has provided the Company with access to a fast-growing, value-added market with a focus on sustainable sourcing.

Big numbers

65
%, command area covered by CO 0238 cane variety in FY2022-23

90
%, command area covered by CO 0238 cane variety in FY2017-18

How we are *reducing* emissions and resource consumption

Overview

At DBSIL, sustainability has been integrated across operations. The Company is working on efficient sugarcane sourcing and operational efficiency to minimize waste and optimize energy consumption.

Operational efficiency metrics

Resource	UOM	FY2022-23	FY2021-22
Specific steam consumption	% of cane crushed	36%	40%
Specific water consumption	KL/MT of cane	0.16	0.28
Specific GHG emissions	TCO2/MT of cane	0.02	0.02
Percentage water recycled	% of total effluents	83	63
Percentage of renewable fuel	% of total fuel	100	100

Water management in India's sugar industry

In the process of sugar manufacture, excess condensates are accumulated and reused. Sugarcane juice is extracted in mills after clarification, boiled in multiple effect evaporators and vacuum pan. If the condensate is contaminated by juice during boiling in the evaporator and pan due to entrainment, it needs to be treated in an effluent treatment plant.

It is important for sugar manufacturers to take preventive steps in condensate contamination. The uncontaminated condensate is recycled. A large quantity of water is required to cool bearings, glands, air compressors, sulphur burner and masscults.

Experts have indicated that the cooled condensate water should be recycled instead of being released as wastewater. The wastewater from sugar mills contain large quantities of bio-degradable organic matter and goes through extensive biological treatment. In general, anaerobic biological processes are advantageous over aerobic processes when the BOD and COD inputs are high.

Water treatment and disposal is tedious work as a majority of sugar plants struggle to manage the surplus water generated. Most sugar plants discharge process water as the government permits discharge of 200 kilolitres per metric tonne of treated water outside the plant.

DBSIL and water management

The Company is working towards effective water management. All its sugar units have achieved zero liquid discharge; all treated water is used in the power plant, reducing groundwater extraction in the power plant to zero.

This treatment scheme has resulted in a complete discontinuation of ground water extraction in the sugar and power plants. The treated surplus water is supplied to farmers, reducing ground water extraction in farms, saving water.

Irrigation is a core DBSIL agenda as the Company promotes furrow irrigation, drip irrigation and mulching. Drip irrigation is economical in the areas of restricted irrigation facilities. Cane irrigated using drip alternative is almost close to the consumptive use of the plants, minimising losses like percolation, run-off and evaporation.

Key numbers of our water management

Water consumed (Million Kilo litres)

Year	FY2020-21	FY2021-22	FY2022-23
Water consumed	2.6	1.5	1.5

Water consumed per unit of the end product (litres)

Year	FY2020-21	FY2021-22	FY2022-23
Water consumed per unit produced (KL/MT)	4.08	2.95	1.80
Water consumed per unit produced (KL/KL)	4.15	5.20	3.86

Water reused (Million KL)

Year	FY2020-21	FY2021-22	FY2022-23
Water reused (Million KL)	0.80	0.90	0.91

Water intensity (KL/Million ₹)

Year	FY2020-21	FY2021-22	FY2022-23
Water intensity (KL/Million ₹)	59	49	46

Water storage capacity (Kilo litres)

Year	FY2020-21	FY2021-22	FY2022-23
Water storage capacity (Kilo liters)	21272	21272	21272

Investment in water conservation infrastructure

Year	FY2020-21	FY2021-22	FY2022-23
Water conservation infrastructure investment (₹ In Lakh)	3000	1200	1000

Rainwater harvesting

Year	FY2020-21	FY2021-22	FY2022-23
Rainwater harvested (kl)	190895	190895	190895

Emissions in the Indian sugar industry

All cane-based sugar mills in India use bagasse as a fuel in boilers. The burning of bagasse in boilers produces particulate matter, oxides of nitrogen, carbon, sulphur and water vapour. Except for particulate matter, emissions of bagasse-fired boilers need to be within the limits prescribed by the pollution control authorities. The particulate matter, usually referred to as fly ash, consists of ash, unburnt bagasse and carbon particles. Fly ash is light and contains a large percentage of fine particulate matter. If air pollution control equipment is not installed at the sugar processing units, fly ash can escape into the atmosphere through the chimney. The particulate matter coming out of the chimney travels long distances, depending on the particle size and atmospheric conditions. It results in reduced visibility in the areas surrounding the sugar mill. Heavier particles settle on vegetation. There could be reports of dizziness and irritation in the eye, nose, throat and lungs from residents in the surrounding areas.

As per the general emission standards, particulate matter is required to be within 150 mg/Nm3. In case of horse shoe/pulsating grate and in the case of spreader stroker bagasse-fired boilers, the particulate matter emission is required to be within 500 mg/Nm3 and 800 mg/Nm3 respectively.

DBSIL and emission control

The Company has invested adequately in emission control by way of ESP, bag filters and scrubbers. It has implemented online systems to monitor emissions across manufacturing units. These systems monitor emissions with online alerts in case of deviations. These investments have improved ambient air quality.

Year	FY2020-21	FY2021-22	FY2022-23
GHG emission per unit of production	0.03	0.02	0.02

Year	FY2020-21	FY2021-22	FY2022-23
Total emissions (tco2e)	170832	130139	133781

Year	FY2020-21	FY2021-22	FY2022-23
GHG intensity (MT/Million ₹)	6.36	4.31	4.05

Year	FY2020-21	FY2021-22	FY2022-23
Emissions avoided (tCO2e)	0	0	46893

Big numbers

0.4
Million tonnes of CO2 emission avoided during 2022-2023

0
GHG emissions intensity per unit of generation (tCO2/ MWh) in FY2022-23 versus the Indian grid average of 0.81 tCO2 / MWh .

DBSIL and waste management

At DBSIL, the endeavor is to reduce waste by opting for innovative mechanisms, recycling and reuse waste product in processes. The Company undertakes efforts to ensure that all waste is utilized.

Total waste generated

Parameter	FY2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
	Total waste generated (in metric tonnes)	
Plastic waste	158	214
E-waste	1.4	2.0

Waste recycled/ reused (MT)

Category of waste		FY2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
Recycled	Lubrication oil	10	1.3
Re-used	Bagasse	1302122	1280194
	Slop	207974	173808

Rainwater harvesting

Year	FY2020-21	FY2021-22	FY2022-23
Rainwater harvested (kl)	190895	190895	190895

Compost, press mud K-ash and fly ash

The Company ensures a prompt supply of organic wastes directly or as formulation to the farmers and has an annual plan for its distribution.

Vermicomposting and farmyard manure

DBSIL is promoting the infrastructure development for vermicomposting and farm yard manure through pit preparation in the farmer's field. The produced manures are rich in nutrients and in bacterial and actinomycetes population, used as organic fertilizer to improve soil health. The Company promotes the numbers of such units in its cane areas.

Mechanization of sugarcane cultivation

Mechanization of sugarcane cultivation is the need of the day to address the problems faced in sustainable production and productivity. It is useful in saving time and labour. Cane growers are educated to change their mindset towards mechanisation in sugarcane cultivation.

The Company distributed farm equipment (trench cutter planter, ring pit machine, spray tankers, land leveler and small tractors, among others) to cane growers through its Uttar Pradesh units. These help develop agri equipment entrepreneurs who have tractors with more than 60 horse power to undertake additional plantation based on subsidized rates. The Company provided trench openers at subsidized rates. The Company organized training-cum-demonstration for cane growers.

Trash mulching

Sugarcane trash mulching helps conserve soil moisture, reduce moisture stress and atmospheric drought. The Company promotes mulching the inter-row space with a 5-7 centimetre thick layer of dry sugarcane leaves. About 8-10 tonnes of sugarcane trash per hectare are required to be mulched.

Trench planting

The Company educates farmers on trench planting. In this system, 'U' shaped furrows or trenches of about 25-30 centimetres are prepared with ridges and furrows with a distance of 120 centimeters formed by using a tractor drawn ridge and trench planter. Besides, the Company's paired row system of planting has become popular. In this system, the space between a pair of two rows is reduced by bringing them closer and increasing spacing between adjacent pairs of rows.

Zero waste generation using innovative technology

The Company recycles and reuses all waste products through a close loop process. The sugar industry is carbon negative and the power produced is green in nature. The Company uses bagasse for the power plant; the excess bagasse is supplied to the paper industry. The Company sends unutilized water to farmers for irrigation. The Company supplies press mud to farmers to increase soil nutrition. The boiler ash goes into the soil with 17-18% of potash besides nitrogen and phosphorous.

Way forward

The greening growth process is imperative, which should help achieve organizational green growth targets by 2025.

Total waste generated

Year	FY2020-21	FY2021-22	FY2022-23
Total number of trees within the Company's area of influence	40721	48521	54371
Year	**FY2020-21**	**FY2021-22**	**FY2022-23**
Trees planted by the Company	7800	5850	5660

Energy saving projects

Steam reduction in the Ramgarh plant from 44% to 33%.

The Company upgraded cane crushing capacity from 6200 TPD to 6500 TPD with B-heavy molasses and partial syrup diversion to distillery under the steam saving project.

The Company modified its evaporation system by adding falling film evaporators with a flash pot (cigar) and steam saving devised in juice heating like condensate juice heaters, direct control juice heaters, plate type heat exchangers. The Company installed mechanical circulators in the pan station.

Total waste generated

Particulars	Before	After	UOM
Crushing capacity	6200	6400	TPD
Steam consumption % cane	44	33	% cane
Steam saving through SSP	-	9.26	% cane
Steam saved/day	-	474.04	MT
Bagasse saved/day	-	206	MT

Installation of dust collector in the sugar bagging area

Dust is a crucial factor in environment, health and safety. Fine dust in the bagging area when final sugar comes from the centrifugal machine is usual.

The Company installed a dust collection system in the Ramgarh and Jawaharpur units to arrest fine flying dust particles. The sugar dust does not just affect revenue loss in the shape of fine sugar but affects human health and damages electrical and mechanical components.

The outcomes of sugar dust collection in the dryer house

0.65 %, dust collected of graded sugar

0.25 %, dust collected in bagging sugar

0.10 %, sugar recovered

Replacement of coal with bagasse in the Kolhapur distillery

The Company replaced coal with bagasse in the distillery. The advantage of bagasse feeding in the boiler is that it has reduced carbon dioxide output by up to 9.5 tons a year.

DBSIL sustainability data	Uom	Pre installation	Post installation
Total Scope 1 emissions during the year	TCO2	48,522	21,986

The Company's Financial Capital

Introduction

There is a distinctive role played by Financial Capital in organizational sustainability. It generates the surplus that makes all the other Capitals a reality.

At DBSIL, we have invested deeply in the reinforcement of this Capital, given its cascading influence on the other Capitals.

This Capital is generated from the surplus derived from operations and financing activities. This comprises the prudent mobilisation or collection of net worth and receivables in response to market dynamics, strategic needs and probable asset monetisation.

The big numbers, FY2022-23

15
%, EBIDTA / Turnover

13
%, Return on capital employed

10
%,Return on average net worth

30.90
₹, Basic earnings per share

Overview

At DBSIL, we have progressively strengthened the competitiveness of our business with the objective to drive long-term stability, visibility and sustainability.

The Company selectively appraises investment opportunities, market dynamics and sectorial fundamentals through a complement of knowledge derived from networks, peers and technologies. This filter-based approach has empowered the Company to make prudent decisions with sustainable long-term outcomes. The result is that the Company has emerged among the fastest growing sugar companies in three decades with credible fundamentals. These fundamentals have evolved into a robust platform of sustainable growth that can potentially maximize shareholder value, a virtuous cycle.

Profitable growth

Our business model has been defined by the need for profitable growth, where in the long run, our profit growth in percentage terms is higher than the revenue growth in percentage terms. We believe that profitable growth is a visible measure of our competitiveness and a validation that our investment outcomes are aligned with our objectives.

Margins

The Company has generally focused on the generation of superior margins, measured at 15% during the year under review (16% in FY2021-22). The Company is focused on the protection or enhancement of EBITDA margins, based on existing synergies, competitive advantage, resource stability, demand-supply dynamics and projected investments.

Over the years, the Company's margins were strengthened by the complement of the following: increased focus on distillery operations (including a conscious sugar sacrifice in favour of enhance ethanol manufacture), debt prepayment, manufacture of a superior sugar quality, wider utilisation of sugar byproducts and backward integration (into co-generated power).

Revenue engines

The Company has been among the most aggressive investors in its sector across three decades. The commitment to plough accruals into the business made the Company arguably the fastest growing modern sugar-based Company in India. In the three years ending FY2022-23, nearly 40% of the Company's investments were made in the distillery business.

The investment in profitable engines paid off: the Company's ethanol business grew 45% from ₹ 698 Cr in FY2021-22 to ₹1013 Cr in FY2022-23; the core sugar business was maintained from ₹2084 Cr in FY2021-22 to ₹2087 Cr in FY2022-23; the cogeneration business grew 12% from ₹106 Cr in FY2021-22 to ₹119 Cr in FY2022-23. The Company expects to grow its manufacturing capacity in the ethanol business by around 50% by FY2024-25.

The proportion of revenues from ethanol manufacture increased 31% in FY2022-23 and is projected to rise further during the current financial year (on a larger revenue base), indicating the progressive ethanolisation of the Company and moderation in sugar. This transition is seminal, transforming the Company's DNA towards sustainability.

Hygiene

The Company recognizes the importance of financial hygiene (as distinct from revenue growth). This issue deals with the efficiency of our operating engine and is measured best by capital efficiency (how much one is able to extract from the business compared with what one has invested).

New investments

At DBSIL, we believe that we are looking at our business from the bottom-end of a long J-curve. Our business has multi-year growth possibilities; success lies in utilising a large part of our earnings in making fresh investments that generate a return higher than what the Company had retained as cash on its books or returned to its investors.

The Company invested ₹821 Cr in the business between 2018 and 2022; it invested ₹568 Cr between 2022 and 2023. The Company added approximately 8% of its gross block in the three years ending FY2022-23. More specifically, a large part of this investment was deployed in enhancing our distillery capacity from 600 KLPD to 710 KLPD during the last financial year.

The full outcome of the 110 KLPD Jawaharpur grain distillery will come from FY2023-24 onwards. The Company is expanding the 110 KLPD Jawaharpur distillery to 250 KLPD during FY2023-24. The Company will install another 300 KLPD grain-based distillery in Nigohi, which is expected to be commissioned in FY2024-25 and whose outcomes will be visible from the same year.

Revenue visibility

At DBSIL, we believe that in a governance-driven world, there is a premium on revenue / surplus visibility. The Company has evolved from a sugar-centric business model that was completely dependent on volatile commodity market movements where prospective cash flows could not be predicted. By the virtue of having invested in distillery operations, marked by a complete buyback by oil marketing companies at stable realisations, there is a visibility in terms of revenues.

The only risk on the books is related to the cost of cane, which is increased by the government on a periodic basis. This, in turn, could have outcomes on the surplus from sugar operations. It would be relevant to indicate that the Company moderated its exposure to sugar by around 25% during the last year as a hedge against sluggish sugar realisations (which means that the only net risk on the books is an exposure to cane costs, which are announced each year applicable to the season).

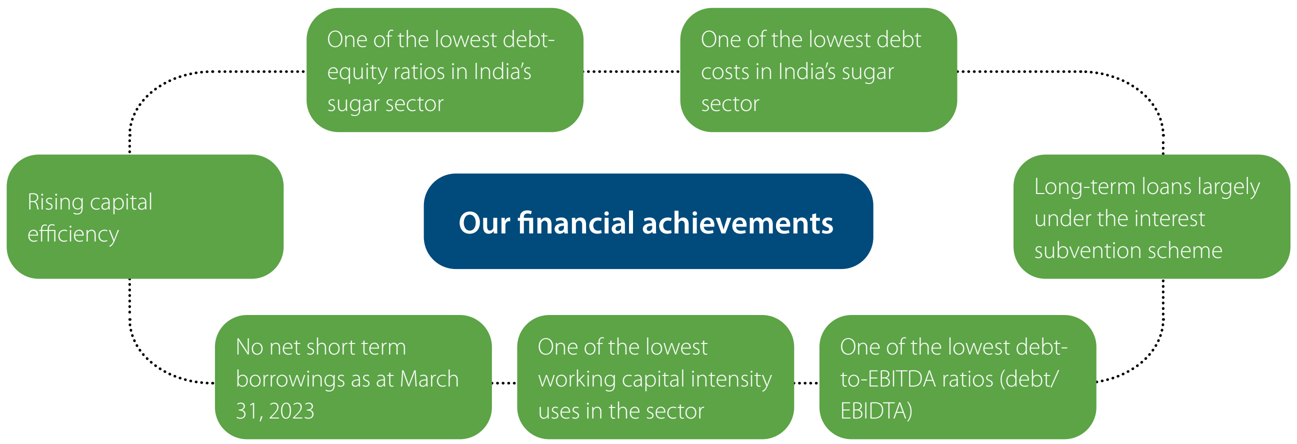
Enduring drivers

The Company believes that some underlying realities of the business will stay favourable. For instance, ethanol demand for automotive fuel blending will remain robust in the long-term scenario due to the ethanol blending programme of the government. Sugar as a sweetener is likely to be in demand, given the growing nature of India's population and sugar being extensively rooted in the culture as a celebratory imperative. Besides, co-generated power as a renewable energy is likely to become increasingly relevant. In view of this, the Company's business model will remain valid and relevant from an aggregated holistic perspective.

Cane availability: The most important growth driver is not the capital asset in the manufacturing facilities; it is the cane in the fields. Being a cane-dependent company there is a premium on enhancing cane availability year after year. The Company makes prudent investments in proprietary cane research and development, process technology, multi-year farmer engagement and increased engagement with farmers with the objective to generate a growing cane outcome each year. The Company procured ₹1811 Cr worth of cane in FY2022-23, which was 3% higher than the previous financial year. The greater the procurement, the larger is the ability to drive the most profitable end of the business – ethanol. Besides, the Company is attractively placed to build its ethanol business through a larger diversion of cane syrup away from sugar manufacture to ethanol manufacture and the prospect of manufacturing ethanol through the use of grain as feed.

Balanced approach: The Company has a balanced approach towards financing long term projects within a debt-equity ratio of 1.1. The Company aims to keep the tenure of loans as high as possible (around 10 years), taking the pressure off working capital management. As at March 31, 2023 all the long-term debts covered under interest subvention scheme/ subsidized interest rate scheme. There is a growing bias towards investment using the earnings generated from the company's business coupled with concessional debt from the government (when deployed for ethanol manufacture).

Liquidity management: The Company generates a larger cash flow than it is able to immediately deploy. During the last financial year, the Company generated ₹323 Cr in net cash profit (after dividend payment). The daily cashflow statements were consulted periodically to ensure day-to-day liquidity. The Company took investment calls and redemption calls each day as per plan and implemented them accordingly.



Key value-enhancing indicators

Turnover (₹ Cr)

FY2020-21	FY2021-22	FY2022-23
2,685	3,006	3,252

Cash and cash equivalents (₹ Cr)

FY2020-21	FY2021-22	FY2022-23
71	94	65

Cash profit (₹ Cr)

FY2020-21	FY2021-22	FY2022-23
365	368	371

EBITDA (₹ Cr)

FY2020-21	FY2021-22	FY2022-23
525	506	512

RoNW (%)

FY2020-21	FY2021-22	FY2022-23
0.15	0.13	0.10

Net debt-equity ratio (x)

FY2020-21	FY2021-22	FY2022-23
0.13	0.17	0.15

Interest cover (x)

FY2020-21	FY2021-22	FY2022-23
12	17	22

Cost of debt (%)

FY2020-21	FY2021-22	FY2022-23
4	3.5	5

The Company's *Intellectual* Capital

Introduction

DBSIL aspires for sectorial leadership through the interplay of proactive investments in the space of research, technology, infrastructure and innovation. The Company continued to invest in projects aimed at improving seed quality, water and waste management, varietal change and steam-saving devices, among others.

Big numbers

58
Research spending (₹ Cr)

0.20
Research spending as % of revenues

Material issues addressed

This section discusses the various issues that affect the Company's Intellectual Capital, comprising business growth, raw material / product quality, technology-product-process innovation, setting the trend as opposed to merely following them, focus on responsible citizenship and contribution to a circular economy.

Overview

In a world where preferences keep evolving, where modern technologies keep emerging and there is a progressively better understanding of the human condition (and corresponding unmet needs), there is a priority in seeking a better way of working.

At Dalmia Bharat, digitalisation represents the arrow-head of our growth and brand personality. The Company's digitalisation journey started with identifying the gaps between desired outcomes and the current scenario with the objective to register sustained value enhancement. The Company implemented SAP in 2015, the first major milestone in its digitalisation journey. Over the years, the Company has developed an established track record to stay ahead in adopting new technologies and creating a clean fuel-based economy. At present, the Company has reached extensive digitalisation through interventions in cane management software, payroll, management information system and database management system.

Our technology partners

PRAJ and Excel: The Company partnered Praj and Excel to construct a state-of-the-art distillery plant with optimum efficiency

SEDL: The Company partnered with SEDL to obtain the consultation on steam economy and automation.

Avant Garde: Dalmia engaged with Avant Garde, a specialized technology partner, that helps in an understanding and implementation of new technologies

Price Waterhouse Coopers (PwC): The Company partnered PwC for preparing a roadmap for the complete digitization of all processes and consultancy related to software development

Consultant: The Company engaged Mr Bakshi Ram, a Gurgaon-based agricultural scientist and Padma Shri recipient, as a cane research consultant in 2023.

Our competitive features

Decentralized: The Dalmia Group possesses a corporate IT team that is decentralized and addresses data privacy, cyber security and data use analytics.

Integration: A majority of the functional softwares are integrated with each other to generate operational seamlessness.

Scale: The Company's digitalisation resulted in all internal approvals obtained online, enhancing responsiveness

Mobile apps: The Company developed a mobile application for cane employees and farmers, enhancing information accessibility

Automation: The Company adopted automated technologies to capture data and identify risks; manufacturing automation moderated unplanned downtime.

Engagement: The Company engaged with farmers by sending short message services (SMS). The supply tickets and documents were sent via SMS, enhancing communication speed.

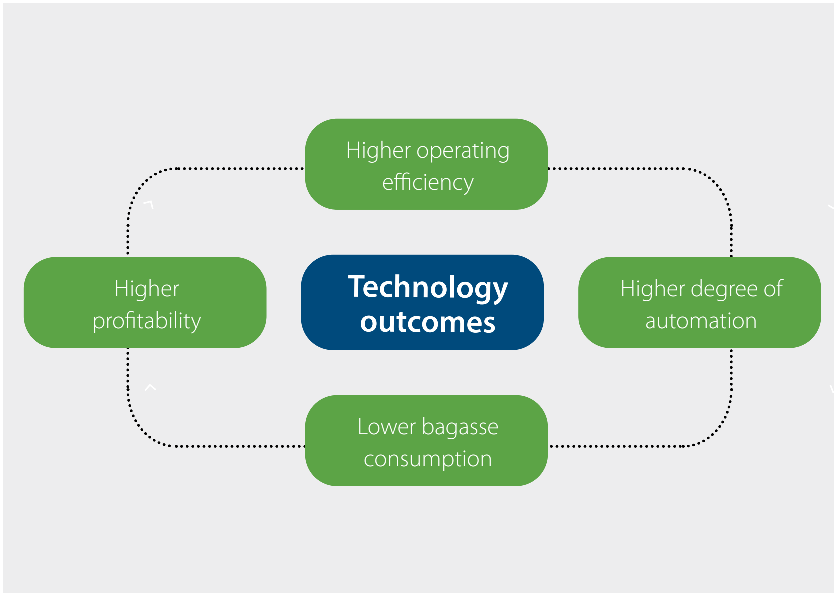
Key technological achievements

The Company was among the leading sugar companies to invest in steam-saving devices.

It adopted the multiple vapour recompression-based distillation technologies in the Jawaharpur distillery. This technology facilitates capacity expansion from 110 KLPD to 250 KLPD without an additional boiler.

The Company has an online compliance management system 'Sanskriti'.

The Company has a structured digital database system.



Way forward

DBSIL's focus is directed at enhanced ethanol manufacture, leveraging low fuel dimension technology. The multi-vapour recompression-based distillation technology facilitates low fuel consumption, low steam consumption, higher yield and near-to-low capital expenditure.

The Company will proactively examine new technologies to stay ahead of the curve. The Company is expected to enhance digitalisation in three years following a gap assessment study by PwC. The Company will undertake phase-wise initiatives based on criticality and outcome speed by managing capital expenditure.

The Company's Manufactured Capital

Big numbers, FY2022-23

4.78
LMT, sugar production

5.50
LMT, sugar sales

Asset sweating

Manufactured Capital represents one of the most decisive competitive advantages at DBSIL. The higher the operating efficiency the greater the output from a cane stick and the better the profitability.

In view of this, the Company has invested capabilities and competencies in Manufactured Capital, establishing the Company's respect as one of most efficient sugar companies in India. Over the years, the Company enhanced the efficiency of its manufactured process, warehousing and logistics, underlined by a commitment to operational safety. The Company is dedicated to enhance production and product availability through responsiveness to opportunities as they emerge (organic and inorganic). The Company's integration has extended from raw material to value-added end product, strengthening cost leadership.

Asset Sweating

The Company is committed to enhance capacity utilisation; the higher the capacity utilisation the stronger the amortisation of fixed costs and the lower the per unit cost of the end product. This represents the basis of the Company's profitability. Over the years, the Company resourced capital equipment from its units for a second life, strengthening asset utilisation, productivity and efficiency.

Equipment	From	To
Hydraulic drives, Heaters , Evaporation Body, Pumps and Drier	Ramgarh	Ninaidevi
Juice pump and Mech Circulator	Jawaharpur	Ninaidevi
Flender gearbox	Kolhapur	Ramgarh
Heaters and PHE	Nigohi	Ninaidevi
RVF and its accessories	Ramgarh	Ninaidevi
Screen juice pump	Nigohi	Ramgarh

Quality

At DBSIL, we have consistently invested in equipment with the objective to strengthen process integrity and product quality. These capital investments enhanced process stability, plant uptime and output quality. The Company installed a rotary dryer in the Nigohi unit, installed refineries in Nigohi and Jawaharpur, installed dust collection system in Jawaharpur and Ramgarh, installed an online metal detector in Nigohi, Jawaharpur, Ramgarh and Kolhapur, and installed stainless steel liners in sugar hoppers in Nigohi, Jawaharpur and Ramgarh.

Automation

At DBSIL, the batch pan process has been progressively automated with standard operating procedures for minimum variances. The result is that this leg of operations has been marked by lower vibrations that could have arisen out of human interventions, enhancing uptime and output consistency.

Packaging

At DBSIL, we have endeavoured to moderate the carbon footprint of packaging material; the Company ensured 100% purity in liners and at least 90% purity in polypropylene woven bags. The Company procured packaging material through ISO 9001-certified and foods grade vendors (certified). The Company's products are customer-focused through distinctive design, customized colours and preferred language.

Key initiatives, FY2022-23

Energy conservation/ process improvement

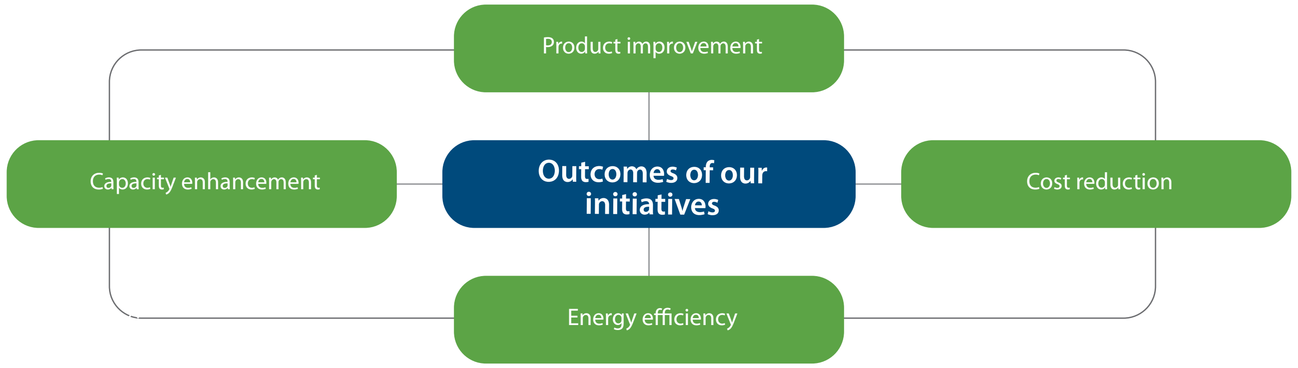
- The Company's Ramgarh sugar plant reduced steam consumption from 44% per ton of cane to 34% per ton of cane.
- The Company implemented bagasse as a fuel to replace coal in the incineration boiler (Kolhapur plant)
- The Company initiated back pressure turbine technology in Jawaharpur for systemic efficiency improvement following a successful implementation in Nigohi.
- The Company's sugar plants operated with varying configuration for different molasses/syrup/juice schemes, saving electricity consumption and steam per tonne of cane crush.
- The Company will initiate Mechanical Vapour Recompression (MVR) technology in the Jawaharpur grain distillery without adding steam generation capacity.
- The Company added a new grain distillery plant in the Jawaharpur unit to improve overall efficiency and use internally generated baggasse for value-added production.

Technology absorption

- The Company introduced cutting-edge technology leading to 10% steam saving per tonne of cane crush.
- The Company adopted dust collection system in two units to recover maximum sugar from the atmosphere in the bagging area to make the sugar bagging area dust-free and eco-friendly.
- The Company will adopt mechanical vapour recompression (MVR) technology.
- The Company invested in proven state-of-the-art technologies for the treatment of in-house effluents for the recycling of process condensate up to the maximum level.
- The Company recorded zero water consumption in sugar cane processing and improvement in other sections to use recycled water.
- The Company introduced drip irrigation systems with no pumping technology.

Other initiatives

- The Company introduced ethanol production from grain and cane syrup by enhancing distillery capacity
- The Company introduced the dust collection process in Jawaharpur and Ramgarh, which reduced sugar dust in bagging along with atmosphere in the bagging area to make sugar bagging area dust-free and eco-friendly.
- The Company imported the hydraulic variable speed drive, replaced with indigenous ACVFD drives+ gearbox.



Value chain integration

The Company addressed the entire supply chain from the basic stage to the value-added end. By embracing value-chain integration, the Company connected and streamlined various stages of the sugar production process from sourcing raw materials to delivering the final product.

The Company controlled the supply chain through backward integration by creating a relationship with the farmer and managing sugarcane plantations. This integration allows the Company to influence quality and raw material availability, ensuring reliable supply. By integrating the value chain, the Company minimized dependence on external suppliers and reduced disruptions, enhancing operational efficiency.

Forward integration enables the Company to market and distribute sugar products. By establishing a network of distribution channels, the Company ensures timely delivery to retailers and consumers. This integration allows DBSIL to engage directly with the consumer, enabling a better market understanding and responsiveness.

Value chain integration not only optimizes operational efficiency but also facilitates innovation and diversification. By exercising control over multiple stages, the Company explores opportunities for product development, comprising value-added sugar derivatives or by-products, expanding its portfolio and capturing new market segments.

This integration has empowered the Company with greater control, efficiency and market responsiveness. By integrating backward and forward elements, the Company has enhanced its competitive advantage, ensuring sustainable prospects.

By-products management

The following by-products are manufactured:

By-products	Role and uses	Overall product mix
Bagasse	For the production of green and renewable energy	26-28% of cane crush
Molasses	For the production of ethanol/extra neutral alcohol/rectified spirit	4-6% of cane crush
Press-mud	Soil conditioner, soil fertilizer for bio-composting	3-5% of cane crush

Key risks

Maintaining market position and profitability with sustainability

Impact on performance due to the economic slowdown and the pandemic fallout

Potential impact of climate change on operations and assets

Key focus areas

Achieving sustainable growth by expanding manufacturing capacity

Pursuing technology innovation for optimizing capacity utilization and efficiency

Production capacity: The Company increased production to address requirements. The Company's production capacity stood at 22500 TCD in FY2011-12 and 31750 TCD at the close of FY2022-23.

Sugar production capacity: The Company's sugar production capacity increased. The Company produced 2.15 LMT in FY2011-12, which increased to 4.75 LMT in FY2022-23.

Ethanol production capacity

With increase in sugar production, the production of ethanol also increased. In FY2011-12, the Company had an ethanol production capacity of 80 KLPD, which increased to 710 KLPD in FY2022-23. With the Indian government promoting grain (rice/maize etc.) for the manufacture of ethanol, the Company set up grain-based distilleries across locations.

The Company is engaged in one more grain distillery of 300 KLPD and expanding its existing grain of 110 KLPD to 250 KLPD.

Cogeneration capacity

There has been no change in electricity generation capacity as a result of the overall optimization due to the prevalence of low power tariff and long-term strategy.

Output

Sugar

Year	FY2020-21	FY2021-22	FY2022-23
Production (MT/litres)	600747	485816	477811

Ethanol

Year	FY2020-21	FY2021-22	FY2022-23
Production (litres)	617822	606023	549714

Automation

Year	FY2020-21	FY2021-22	FY2022-23
% of equipment that is automated	80	85	92

Byproduct revenues

Year	FY2020-21	FY2021-22	FY2022-23
Revenues from all byproducts (₹ Cr)	24	18	62

The Company's Human Capital

Human Capital

One of the most under-rated attributes in successful business building is culture. Culture is generally taken for granted. However, a successful culture is built around the promoter's vision, prudent people recruitment and the influences that they bring, the overarching guardrails of what is acceptable within the Company and what is not, and the overall environment - innovation and youthfulness, a commitment to outperformance and emerge as a sectorial benchmark. This makes culture the most valuable facet of the Company's competitiveness to translate into sustained growth, ability to counter challenges and the capacity to ride growth opportunities the fastest.

Big numbers

3471
Total number of employees

44
%, of employees working with the Company for more than five years

62.32
%, of employees under the age of 45 years

Overview

The conventional focus in Dalmia was to enhance operating efficiency and moderate costs, strengthening viability. In a business environment marked by investment, increased capacity and product broad-basing, there is a premium on strengthening the organisational culture, marked by meritocracy, diversity, operating platforms and optimized resource management.

In doing so, the Company expects to enhance the role of knowledge cum experience retention over the conventional perspective of people retention. This, in turn, is expected to strengthen team effectiveness, deepen learning orientation and enhance productivity leading to sustained outperformance.

Our human resource philosophy

The Company believes in providing growth opportunities to its people. It is committed to nurture talent to accelerate value creation for the Company and stakeholders to help them build fulfilling careers. The Company identified key skill requirements across job levels and inducted best-of class trainers for talent development.

The human resources team tracked critical business talent and developed a talent and role succession plan. The Company is enhancing skills through training, encouraging talent to particulate in industry workshops and seminars to exchange knowledge and technology. The Company organized result-oriented talent development programs conducted by external industry trainers and coaches, resulting in superior outcomes.

Priorities

The talents of the Company are governed by the Dalmia Way of Life, which provides insights into the organizational culture, values (Integrity, Trust and Respect, Humility and Commitment), business pillars (Profitability, Growth, Sustainability, Reputation) DNA and code of conduct. This comprises zero tolerance activities and green guidelines based on principles such as energy and climate conservation, sustainability practices and implementation of digitization guidelines including, inter-alia, fair employment guideline, anti-fraud guideline, anti-harassment guideline, anti-sexual harassment guideline and no gift guideline.

Equal opportunity employer: The Company ensures diversity in the workplace and provides equal opportunity and fair treatment to all its employees including eligible applicants for employment without any bias towards caste, creed, religion, origin, gender, marital status, age and nationality starting from the recruitment to the closure of full and final settlement.

Training and development: The Company's training and development programmes are conducted by Nalanda, Dalmia School of Leadership, Learning and Change (LLC). The institute helps inspire employees through high impact developmental programs that help the mind explore new dimensions and exercise their true potential. The programs are delivered experientially as well as through classroom sessions, workshops, seminars, on-the-job innovation and creativity sessions. The modules help employees think out-of-the-box in areas of strategy, sales, marketing, logistics, manufacturing, leadership, technology and people-related matters. The young faculty at Nalanda co-creates development programmes with business leaders and their inputs.

Reward and recognition: At Dalmia Bharat, we aim to monetarily reward individuals for overall performance on key responsibility areas and organisational performance.

Leadership succession planning: Dalmia School of Leadership created and groomed a leadership pool through the in-house Lakshya Program for passing on leadership and critical-to-business roles to an employee or group of employees. Replacement planning for essential roles in a systematic way ensures business continuity and the smooth running of visualized operations even after the key organisational leaders move on to new opportunities, retire or pass away. The Company undertakes periodic review and upgradation of the succession plan to ensure its readiness for dynamic changes in the organisational structure aligned with the strategic organisational planning and future growth plans.

Recruitment process: The Company attracted meritorious employees for approved roles in a timely manner. The Company's employee engagement was through the Origin Recognition Complex (ORC) employee acquisition module. This is applicable for the entire talent acquisition process from requisition to the issuance of the appointment letter.

Performance management system: At DBSIL, we believe that performance management is not just a tool to evaluate the performance of an individual but also a partnership between the organization and its employees. The Company's partnership with each employee is based on trust; where the coach is genuinely interested in the growth and overall well-being of employees. The desired outcome of this partnership is to jointly set each others for success.

Employee safety / safety-related incidents: The Company has undertaken intervention and awareness programs to ensure employee health and safety in the plants and across the value chain. The Company conducts continuous evaluation of internal controls for human rights issues in its plants and across supply chain partners. The Company implemented awareness and training programs to align with the country's labour norms and implementing the employee health and safety manual in all its manufacturing units.

Robust governance and code of conduct: The Company's code of conduct provides a clear understanding of how to live the Dalmia way of life – adhering to its culture, values and the DNA. Dalmia expects all its employees to adhere to this code in their professional and personal lives. The guidelines in the codes of conduct provide ways to conduct business on behalf of the organization, while dealing with other human beings both in the organization and outside of it.

Key initiatives, FY2022-23

- The Company started the digitization of all core human resource processes under one umbrella.
- The Company hired the right quality of talents for distillery expansion and projects within the stipulated time frame.
- The Company conducted customized training programs which were focussed to increase productivity, reduce breakdown, strengthen teamwork and identify improvement areas of key talents.
- The Company filled two key positions (as Distillery Head) in the distillery division from its existing talent through in-house development programs.
- The Company provided manpower within the turnaround time in spite of high demand in the distillery segments.

Outcomes

- The Company's core human resource processes were integrated on Oracle. A roadmap for the next three years is under process.
- The Company reported an attrition rate of around 5% during the year under review.
- The Company had zero delays in the commissioning of new projects and expansion due to availability of talents.
- The Company reported a reduction in breakdown from 3.65% to 2.16% hours of total available working hours in the Ramgarh unit.

Material issues addressed

At Dalmia Bharat, the Company is committed to prevent child and forced labour in its premises and across supply chain partners. The Company acknowledged the right of its workers to unionize and collectively bargain for issues. The Company's Kolhapur and Ninaidevi units have trade unions that confer with the management to resolve issues democratically. At the Maharashtra plants, collective bargaining takes place through trade unions to address issues related to wages settlement, bonus and workplace safety. At the Uttar Pradesh plants, the Company has implemented through authorized Sugar Wage Boards. The Company's Works Committee ensures transparent communication between the management and its employees. No significant shutdowns took place due to union-led issues in FY2022-23. The Company is preparing to conduct human rights due diligence exercise.

In view of the occupational health and safety standards, the Company's manufacturing units possesses well-equipped occupational health centers with dedicated medical officers and attendants. The Company takes care of expenses related to workplace injury and has a separate medical reimbursement policy related to critical and medical illness expenses for the entire workmen of the plant. The Company has a grade point average and employee compensation policy in place.

Employee health and safety

The Company possesses a dedicated safety, health and environment policy, which is approved by the Risk Management Committee and the Board of Directors. The Company has an Occupational Health and Safety Management System IS 14489-2018 in place which covers the entire manufacturing complex of all the units. The Company took the following measures to ensure a safe and healthy work environment:

- The Company provided PPE kits to its employees and ensured that they were used daily.
- The Company undertook safety audits, which were conducted by third party auditors.
- The Company displayed safety signages and boards to create a safety culture.
- The Company safety officers conduct a daily round of the plant. The Company used the CCTV cameras to identify unsafe acts / unsafe conditions to enhance the company's safety culture.
- The Company encourages employees to report near-miss incidents.
- The Company conducted due diligence to identify work hazards and ensure the identification of repeated injuries to develop countermeasures.

Way forward

DBSIL reimagines its future and intends to achieve digitally-enabled people transformation; the Company will continue to strengthen its talent development frameworks to groom the next generation of leaders and workforce. The Company has a structured and comprehensive leadership development approach that emphasizes strengthening and empowering leaders at all levels.

Big numbers

2.40
%, Reduction in lost-time injuries

2957
Number of workers trained in SOP guidelines for Covid-19

3.00
%, Reduction in first-aid cases

3179
Number of workforce trained in safety standards

9.52
%, Reduction in Process Red Risk incidents

14
%, of employees trained in simplified safety standards through e-learning

Employees

Year	FY2020-21	FY2021-22	FY2022-23
Employees (including contractual workers)	3352	3600	3471

Average age

Year	FY2020-21	FY2021-22	FY2022-23
Average age	45	45	46

DBSIL reimagines the future and intends to achieve digitally enabled people transformation; the Company will continue to strengthen its talent development frameworks to groom the next generation of leaders and workforce.

Employees by gender

Year	FY2020-21	FY2021-22	FY2022-23
Male	3312 (98.8%)	3557 (98.8%)	3408 (98.2%)
Female	40 (1.2%)	43(1.2%)	63 (1.8%)

Employees by age group

Year	FY2020-21	FY2021-22	FY2022-23
Age group, 22-35	773 (23%)	958 (27%)	1014 (29%)
Age group, 36-45	1209 (36%)	1230 (34%)	1149 (33%)
Age group, 46-60	1370 (41%)	1412 (39%)	1308 (38%)

Profile of employees as per education

Year	FY2020-21	FY2021-22	FY2022-23
Graduates	608 (18%)	653 (18.1%)	541(15.6%)
Masters	131 (3.9%)	170 (4.7%)	172 (5.0%)
Engineers	187 (5.6%)	236 (6.6%)	192 (5.5%)
MBAs	31 (0.9%)	37 (1.0%)	33 (1.0%)
Chartered accountants	6 (0.2%)	6 (0.2%)	7 (0.2%)

Person-hours spent in training

Year	FY2020-21	FY2021-22	FY2022-23
Training in person-hours	9670	12085.5	15060

Retention rate (%)

Year	FY2020-21	FY2021-22	FY2022-23
People retention rate in %	95.1%	95.8%	95.9%

Employee output (in revenue of output) per rupee of revenue

Year	FY2020-21	FY2021-22	FY2022-23
Employee output per rupee of revenue (₹ in Cr)	0.82	0.85	0.96

Employee cost as a percentage of total revenue

Year	FY2020-21	FY2021-22	FY2022-23
Employee cost as % of revenue	5.22	5.39	5.63

Employees by tenure

Year	FY2020-21	FY2021-22	FY2022-23
More than 5 years (as % of total)	46.16	43.52	43.63

Health and safety – incidents

Year	FY2020-21	FY2021-22	FY2022-23
Incidents	43	41	40

Average remuneration

Year	FY2020-21	FY2021-22	FY2022-23
Average remuneration (₹ in Lakh)	4.26	4.88	5.39

Training courses expenditure

Year	FY2020-21	FY2021-22	FY2022-23
Training courses expenditure (₹ in Lakh)	6.28	5.635	7.53

Training coverage of the organization

Year	FY2020-21	FY2021-22	FY2022-23
Training coverage in % terms	23.8%	23.5%	26.5%

Person-years of organisational experience

Year	FY2020-21	FY2021-22	FY2022-23
Person-years of experience	13	13	14

Nationality mix of employees

Year	FY2020-21	FY2021-22	FY2022-23
Indian %	100	100	100
Non-Indian %	0	0	0

Year	FY2020-21	FY2021-22	FY2022-23
HSE investments (₹)	25	27.5	37.5

Fatality on job

Year	FY2020-21	FY2021-22	FY2022-23
Fatality	0	0	2

Lost time injury

Year	FY2020-21	FY2021-22	FY2022-23
Lost-time injury	43	41	40

Employees

Year	FY2020-21	FY2021-22	FY2022-23
Lost-time injury frequency rate	5.29	4.70	4.75

Total recordable injury frequency rate

Year	FY2020-21	FY2021-22	FY2022-23
TRIFR	1.67	1.58	1.50

The Company's Social & Relationship Capital

Social and Relationship Capital

DBSIL's success is the result of enduring relationships across stakeholders, marked by mutual trust, respect and benefits. The breadth and depth of these stakeholder relationships represents the company's biggest hedge against business unforeseen and economic cycles.

Big numbers

55,391+
Community lives touched

100
% of consumer complaints resolved

5000+
Vendors

The Company's approach

The Company undertook a pan-India stakeholder engagement exercise to re-evaluate the Environmental, Social and Governance (ESG) issues that impact value creation in a dynamic global landscape that provided the following insights :

Stakeholders	Value proposition	Significance	Forms of engagement	Key concern areas
Employees	Employee-centric, create opportunities for learning and growth, fair remuneration, supportive team, robust rewards and recognition schemes	Drive strategies for sustained business growth	• Skill development programmes • Celebration of festivals • Awards ceremony • Workshops to inculcate company culture	• Work life balance • Skill development • Career growth
Government and other regulatory bodies	To be a responsible corporate citizen. Track latest global and domestic developments for effective formulation of policies through industry associations, e.g. ISMA, WISMA and UPSMA to enhance the socio-economic progress of stakeholders	Ensure business interests are aligned with regulations	• Periodic compliance reports • Statutory audits • Filings and disclosures as required	• Pollution control and prevention. • Compliance with laws and regulations
Competitors	Indicators to benchmark and improve performance	Healthy competition	• Analysis of best practices adopted by peers	• Sectoral performance of peers
Suppliers/ cane farmers	Building capabilities through skill development, safer operations, strengthen scope for innovation	Enhance operations to optimize value chain, strengthen competitiveness	• Frequent supplier meets and Kisaan Goshti • Vendor assessment and review	• Timely supplier payment • Transparent payment processes
Customers	Superior products and collaborating for growth	Essential purpose of business; customer satisfaction acts as a way to build a sustainable business for the long-term	• Regular customer feedback • Customer survey	• Pricing strategy • Product quality

Stakeholders	Value proposition	Significance	Forms of engagement	Key concern areas
Media	Necessary disclosures to enhance brand, transparency and build generate goodwill	Primary medium of communication with extended stakeholders groups on important updates related to the business,	• Senior management interview • Press release	• Universal, uniform, transparent company communication • Frequent interactions
Investors	• Focus on becoming debt-free • Better disclosures, transparency and strengthening of financials	Enable financial growth through investment	• Quarterly financial reports • Annual general meeting • Periodic conferences • Press releases	• Dividends given by Company • Increase in market share • Performance improvement
Industry associations	Frame policies to improve the overall industry performance Propagate best practices and alignment of interests to present a cohesive industrial view	Engage with government and regulators to address industry concerns and arrive at common solutions	• Tie-ups with industrial associations	• Regular communications
Community	Enable innovative and sustainable solutions for the well-being of communities within the vicinity of operating locations with primary focus on ensuring sustainable livelihood for all	Enhancing organization reputation and be a responsible corporate citizen	• CSR reports • Skill development programmes • Water and soil conservation awareness program • Social Infrastructure programmes	• Employment to local youth • Community infrastructure development

DBSIL serves communities across the districts it operates in. In alignment with its core philosophy, we wish to create an enlightened, equitable society in which every individual lives up to his or her full potential. This vision is enacted through the activities carried out by our Corporate Social Responsibility team with local communities to build transformative, efficient and lasting solutions to address their development challenges.

Our community development initiatives are carried through Dalmia Bharat Foundation (DBF). DBSIL is a part of Dalmia Bharat Group, which was founded in 1935, and has been contributing to society for more than eight decades. We identified two CSR focus areas i.e., sustainable Livelihoods and social infrastructure.

How we engage with stakeholders

Our corporate social responsibility initiatives

Sustainable Livelihoods

Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa)

The Company implemented its flagship project DIKSHa across three centres in Sitapur, Shahjahanpur (Uttar Pradesh) and Kolhapur (Maharashtra) through Dalmia Bharat Foundation. The project benefitted 2121 trainees, of which 1505 were employed, earning a monthly income between ₹ 6,000 and ₹ 15,000. Around 947 trainees completed their training in FY2022-23, of which 634 trainees were placed in different sectors, including general duty assistant, assistant electrician, customer relationship management, solar PV installer, business correspondent, beauty and wellness. Some 295 trainees were pursuing their training as on March 31, 2023.

Regenerative and sustainable sugarcane farming project

The Company's four-year regenerative and sustainable sugar farming project is operational at the Kolhapur and Sangli districts in Maharashtra and is being implemented in partnership with Solidaridad, India, supported by Bayer and Coca Cola since December 2021 till FY 2024-25. During the year, we set up 75 plots in Kolhapur and 120 plots in Sangli (against the target of 72 in Kolhapur and 48 in Sangli) to demonstrate improved agricultural practices like land preparation, seed selection, planting methods, irrigation management, integrated management of fertilizers among others. 3,174 farmers have been trained across Kolhapur and Ninaidevi and 150 farmers supported with vermi-beds to improve soil health. Some 150 soil moisture indicators have been distributed for promoting efficient irrigation practices. We supported 100 farmers with battery operated sprays and 60 bio-gas plants of 2 cubic feet model were installed. We set up 18 cane information centres for the dissemination of knowledge on improved cultivation practices.

Breed improvement project

The Company implemented a breed improvement project through Dalmia Bharat Foundation under the BAIF Institute for Sustainable Livelihoods and development in three Uttar Pradesh locations. We have set up 10 new artificial inseminations centres, bringing the total AI centres to 13. At present, the project is reaching 6,145 households and 213 villages. Around 4606 artificial inseminations were performed, which resulted in the birth of 1138 milch animals; out of these, 639 were female and 499 male. Besides, we have treated 500 livestock through seven veterinary camps.

Moonj craft development project

The project includes 250 moon craft artisans from Ramgarh that were trained and upskilled in the traditional craft. The artisans named products 'The Sarayan Collection' as it consisted of more than 25+ products in different sizes, colours and patterns and included wall décor items, ethnic boxes, planter baskets, trivets and much more. The artisans were collectivized into an off-farm producer company named Sarayan Mahila Producer Company Limited and are set to expand their reach and explore better market linkages. The Company reported sales of more than ₹ 10 Lakh in FY2022-23and inventory worth ₹ 73,000 was created. One of the four self-help groups, whose products were selected to be a part of the mementos for G20 Empower Summit in Agra.

Dalmia Bharat Foundation and Central Institute for Research on Goats

Dalmia Bharat Foundation signed a Memorandum of Understanding to improve the economic conditions of the most vulnerable farmers (including women farmers, marginal farmers, small holders, landless farmers, youth, farmers from SC/ST and other vulnerable sections of rural background) through goat-based livelihoods and related activities.

Providing a climate resilient solution

The Company undertook a new project on climate resilient solution for small farmers in Uttar Pradesh. The Dalmia Bharat Foundation set up poly-houses for 37 farmers to increase productivity and their income up to ₹ 100,000 per annum.

Other income generating initiatives

• Dalmia Bharat Foundation partnered Dyaneshwari agency to train 20 women in agarbatti making along with providing material and financial support in Kolhapur. The training helped the women produce incense sticks and supply to Dyaneshwari Agency, earning a monthly income of ₹6,000.

• Dalmia Bharat Foundation linked all 214 self-help groups in Uttar Pradesh with National Rural Livelihood Mission (NRLM). The self-help groups were co-opted by NRLM, providing benefits like ₹125,000 as revolving fund for livelihood activities. These helped release the payment to their Samuh Sakhi and provided access to schemes like Bank Sakhi and other livelihood schemes.

• Dalmia Bharat Foundation helped and organized bank loan credit of ₹ 34 Lakh in Kolhapur for 13 self-help groups and ₹10.5 Lakh for 15 self-help groups in Ninaidevi.

• The Company undertook plantation of 7,100 tree saplings of timber and fruit bearing varieties in Jawaharpur, Ramgarh and Nigohi with the aim of soil conservation and carbon sequestration as well as additional livelihood for the people.

Climate action

Water conservation: Through various water conservation and harvesting initiatives in Uttar Pradesh, a water harvesting potential of 62.88 Lakh KL was added this year, resulting in creating a cumulative harvesting and conservation potential of 115.31 Lakh KL. The initiatives, inter-alia, include desilting of 16 village ponds, construction of 26 recharge shafts, 135 defunct borewell recharge pits and 2 bhungroo structures in the three Uttar Pradeshlocations, adoption of mulching technique by 7689 farmers in 9045 acres and 12 drip irrigation systems promoted in Ramgarh covering 13 acres.

Soil conservation: 1360 vermi-compost (13,500 tons compost) and 2220 farmyard manure units (22,200 metric tons of manure) were promoted during the year to improve soil health. Some 135 Lakh Kgs of compost and 2.22 quintals of farm yard manure will be produced in a year, resulting in a cumulative saving of ₹1620 Lakh and 184 Lakh, respectively, for the farmers.

Social Infrastructure

Healthcare infrastructure: The Company, through Dalmia Bharat Foundation, treated 1401 individuals in eight medical camps across locations, wherein patients were provided free medical consultation and prescription medicines. We organized an eye camp at Nigohi in which 252 villages were screened for common eye ailments and vision tests. We have installed two health ATMs in the primary health centre of Ramkot and in a community health centre in Nigohi, which benefitted 894 patients from January 2023 to March 31, 2023. Dalmia Bharat Foundation is supporting 900 tuberculosis patients from the neighbouring community, spanning three blocks, supporting the government's flagship program of TB Mukt Bharat.

Promoting digital literacy: The Company provided training on digital literacy to 416 students, youth and women of the self-help group in 49 batches through a common service lab in Ramgarh. The Company conducted the World on Wheels programme in Kolhapur, training 674 students in digital literacy, 130 students and 170 self-help group members in computer awareness and providing 45 farmers awareness on better agricultural practices. Dalmia Bharat Foundation provided the certificate course on financial literacy (CCFL) to 130 students in partnership with NIIT Foundation.

Developing education infrastructure: Under the Dalmia Happy School Project, the Company provided e-learning materials (smart classrooms and smart TVs) to 53 schools in Ramgarh. It distributed 529 desks and benches in 17 schools in Nigohi and Jawaharpur, benefitting around 1600 students a year. It constructed / painted school walls and provided water coolers to the schools.

Other infrastructure: The Company undertook various activities for infrastructure development, benefiting large groups of people as under:

Activities initiated	Impact
Installed 52 streetlights	2500 households in 41 villages across Uttar Pradesh and Maharashtra
Installed 44 hand pumps	2500 households in 31 villages across the Uttar Pradesh locations
Installed 12 reverse osmosis plants	1000 households in Ninaidevi and Kolhapur
Distributed 15 water purifiers	15 self-help groups engaged in the seedling preparation of sugarcane for varietal improvement to ensure availability of safe drinking water
Distributed 6000 safety goggles	6000 farmers from neighbouring villages engaged in sugarcane harvesting
Constructed community centre	6500 community members from four neighbouring villages
Distributed sports material under the Khelo India programme	100 individual players

CSR spending by the Company

Year	FY2020-21	FY2021-22	FY2022-23
CSR spending by the Company (₹, Lakh)	387	482	697

Our community outreach

11
Lakh, Number of people benefited by the Company's CSR programme

695
Number of villages reached by the Company's CSR initiative

Our Customer capital

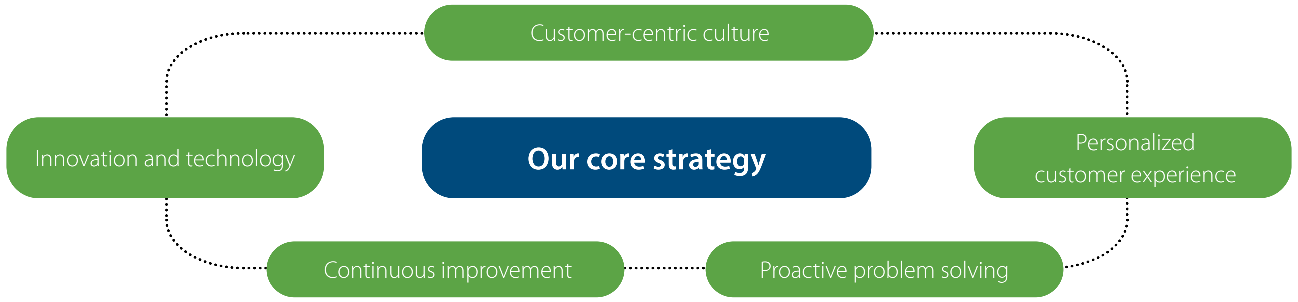
Overview

In the sugar industry, there is a premium on the capacity to manufacture a quality of end product that addresses the customized needs of specific customers.

At DBSIL, we manufacture raw and refined sugar, addressing two different kinds of sugar customers – one being the wholesale consumer and other being the retail consumer. Besides, the Company's sugar is marketed to institutional customers, generally food and beverage customers.

The Company manufactures ethanol that addresses a growing appetite of oil marketing companies. The Company's excess power generated is sold to the state electricity grid.

The Company seeks to create a positive experience, ensuring that it enhances customer stability. The Company's products are delivered on schedule and in full, helping prioritise customer retention through dependable service and consistent product quality.



Our customer acquisition approach

Market expansion: The Company aims to access a wider customer base across different geographies. Using its presence in Uttar Pradesh and Maharashtra, the Company has been able to explore new geographical markets or target different customer segments to expand its customer base.

Pricing strategies: The Company employs optimal pricing and long-term contracts, among others, to retain customers.

Customer experience: The Company delivers a superior customer experience through an understanding of their needs, identifying pain points and optimising engagement to provide a satisfying experience.

Relationship building: The Company is building relationships with customers through personalized engagement, enhancing loyalty. Dalmia utilizes regular engagement opportunities, provides market inputs, media news and forecasts to stay connected with customers.

Customer feedback: The Company seeks customer feedback to address concerns and improve satisfaction. It analyses the data to identify improvement areas and make adjustments.

Product diversification: The Company has widened product offerings beyond traditional sugar products by introducing consumer packs, breakfast sugar, icing sugar, sugar sachets and specialized sugar, among others. The Company attracted new customers through product range diversification (specific preferences or dietary requirements).

Quality and differentiation: The Company delivers quality sugar products through stringent quality measures, alignment with standards and relevant certifications. The Company attracts customers who prioritize product excellence by offering quality.

Strategic partnerships: The Company increased customer engagement by partnering with institutions and marketing branded food products.

Ethical practices: The Company emphasizes a commitment towards sustainable sourcing, environmental responsibility and fair trade practices.

Our customer reliance de-risking approach

Customer base diversification: Customer base diversification: The Company seeks to enhance its customer base by targeting new segments and regions.

Customer segmentation: The Company's customer segmentation ensures balanced distribution, categorized across industry, size, location and purchasing power. The Company's targeted marketing and sales strategies for each segment have moderated an excessive dependence on any customer segment.

Product diversification: The Company offers a range of sugar products that attracts customers from different downstream sectors. The Company developed specialized sugar products and customized sugar brands to address customized requirements, reducing dependence on a single product or customer type.

Partnerships: The Company collaborated with companies in the food and beverage industry. It formed partnerships with industrial manufacturers, distributors and modern trade segments.

Contractual agreements: The Company offers long-term supply contracts with multiple customers, providing stability and revenue visibility.

Market monitoring: The Company monitors markets, changes in customer preferences and industry dynamics, moderating an excessive dependence on customers or segments.

Our governance commitment

Leadership

The Board guides the organisation on the basis of the principles of integrity, fairness, transparency, due compliance, accountability and responsibility beholden to stakeholders along with their commitment to conduct business ethically through its various Committees constituted with defined terms of reference.

The Company has set a Code of Conduct for the Directors and the senior management with policies and practices that create a framework for effective leadership built on an ethical foundation.

The Board's Code of Conduct, policies and practices comprise matters such as Directors' dealings in the securities of the Company, vigil mechanism, related party transactions and an appropriate balance of power and skills. Directors are required to ascertain compliance with the Code of Conduct annually and all employees are required to adhere to the highest moral standards in dealings.

Organisational ethics

The Board decides the type of ethical leadership and management executes and implements the Code(s) and policies, and through the Audit Committee supervizes the effective management of the ethics programme, to ensure that an ethical culture is followed in the Company.

The key components of the Code include the Company's policy on human rights, principles of ethical business practice, conflicts of interest, which includes a no-gifts guideline and managing relationships with stakeholders, anti-competitive behaviour and vigil mechanisms. It also comprises independently monitored reporting lines at all operations across locations, the Company's policy against the intimidation and/or victimisation of whistle-blowers, and anti-corruption policies, amongst others.

Responsible corporate citizenship

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

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

The Board, through its Committees, tracks the Company's performance and activities in correlation to its status and role as an ethical, responsible corporate citizen, evaluated against set performance targets and aligned with the Company's strategic mission to build a sustainable future for all the stakeholders.

To enhance our sustainability framework, we have made efforts to identify areas where the health and welfare of our employees and community members, the sustainability of our suppliers, contractors and other partners, and the protection of the natural environment in our areas of operations can be improved while continuing to focus on shareholder value. Many process improvements have been implemented to enrich our ESG approach.

Strategy and performance

The Board sets the strategy that helps realize the organisation's core purpose and values

The Board decides on the strategy after considering numerous elements such as risks, opportunities, timelines and parameters. The Board has delegated to the management the duty to implement and execute approved policies and operational plans.

Reporting

The Board promotes principles of transparency and accountability in its Code of Conduct. This sets the tone for how the Company's scope of reporting in terms of its strategy, business performance, prospects and outlook.

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

Board of Directors

Gautam Dalmia
Managing Director

Rajeev Bakshi
Independent Director

Bharat Bhushan Mehta
Whole-time Director & CEO

Amita Misra
Independent Director

P. Kannan
Independent Director

T. Venkatesan
Non-executive Director

Composition of the Board

- **6** Directors
- **3** Independent Directors
- **2** Executive Directors
- **16%** women on the Board

Board seniority

- **100%** 10 years or more

Special Board committees

- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Audit Committee
- Finance Committee

Experience of Directors in the Company's Board

S. No.	Name of Director	Category	Total experience (in years)
1	**Gautam Dalmia**	Managing Director	30
2	**Rajeev Bakshi**	Non-Executive Independent Director	40
3	**Bharat Bhushan Mehta**	Whole-Time Director and Chief Executive Officer	46
4	**Amita Misra**	Non-Executive Independent Director	40
5	**P. Kannan**	Non-Executive Independent Director	20
6	**T. Venkatesan**	Non-Executive non-Independent Director	40

Dalmia Bharat Sugar and Industries Limited

Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu
Phone No. 04329-235132 Fax No. 04329-235111
CIN L15100TN1951PLC000640 Email: sec.corp@dalmiasugar.com
Website: www.dalmiasugar.com

NOTICE

Notice is hereby given that the Seventy first Annual General Meeting of the members of the Company will be held on Friday, August 11, 2023 at 11.00 a.m. through video conferencing/ other audio video means ("VC/OAVM") to transact the following business:

ORIDINARY BUSINESS:

1. To consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, and the Reports of the Auditors and Directors thereon.

2. To consider and declare final dividend of ₹1/- (50%) per equity share of ₹2/- for the financial year 2022-23.

3. To consider and appoint a Director in place of Shri T. Venkatesan (DIN 00124050), 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 2023-24 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 04, 2022, be paid a remuneration of ₹27,00,000/- (Rupees Twenty Seven Lakh only) for the purposes of statutory audit for the financial year 2023-24 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 2023-24 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 2023-24, 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 approve remuneration payable to Non-Executive Directors 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(s) 197 and 198 and other applicable provisions, as may be amended from time to time, of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirement), 2015, the payment of compensation to Non-Executive Directors including Independent Directors of the Company upto one percent of the net profits of the Company (in addition to sitting fee) in aggregate, in each financial year , be and is hereby approved with effect from the financial year 2022-23 onwards, as recommended by the Board of Directors, and that such compensation be divided amongst all the Non-Executive Directors including Independent Directors of the Company in such proportion as may be decided by the Board of Directors of the Company from time to time."

By Order of the Board of Directors

Aashhima V Khanna
Company Secretary
Membership No. ACS- 34517

Place: New Delhi
Dated: May 19, 2023

KEY INFORMATION

S. No.	PARTICULARS	DETAILS
1	Link for attending live webcast of the Annual General Meeting ("AGM") through Video Conferencing ("VC")	https://eservices.nsdl.com/ or https://web.cdslindia.com/myeasi/Registration/EasiRegistration
2	Link for e-voting [remote/at the AGM]	https://eservices.nsdl.com/ or https://web.cdslindia.com/myeasi/Registration/EasiRegistration
3	Link for Members to temporarily update e-mail address	https://eservices.nsdl.com/ and 022 - 4886 7000 and 022 - 2499 7000
4	Username and password for VC and e-voting	evoting@nsdl.co.in
5	Helpline number for VC and e-voting	https://eservices.nsdl.com/
6	Registrar and Share Transfer Agent	KFin Technologies Limited Unit: Dalmia Bharat Sugar and Industries Limited Mr. Bhaskar Roy E-mail: einward.ris@kfintech.com; Contact No.: 040 - 6716 2222
7	Cut-off date for e-voting	Friday, August 04, 2023
8	Corporate/Institutional Members to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the authorised representative(s)	gera.consultant@gmail.com on or before August 08, 2023
9	Speaker registration and period for submission of questions, if any, in advance and e-mail address	Commences at 9 AM IST on Sunday, August 06, 2023 and ends at 5 PM IST on Tuesday, August 08, 2023 Post / send at https://eservices.nsdl.com/ or sec.corp@dalmiasugar.com
10	Remote e-voting period	Tuesday, August 08, 2023 starting at 9 AM and ends at 5 PM IST on Thursday, August 10, 2023
11	Last date for publishing results of the e-voting and results availability	Tuesday, August 13, 2023

Notes:

1. The MCA (Ministry of Corporate Affairs) has, vide its General Circular No. 10/2022 dated December 28, 2022 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 and all other relevant circulars issued from time to time **("MCA Circular(s)")**, permitted companies to hold their Annual General Meetings ("AGM") due in the year 2023 through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') without the physical presence of the members up to September 30, 2023.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circular(s) the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.

6. In line with the MCA Circular(s), the Notice calling the AGM has been uploaded on the website of the Company at www.dalmiasugar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National

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

7. AGM of the Company is being held through MCA Circulars, SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

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

The remote e-voting period begins on Tuesday, August 8, 2023 at 9:00 A.M. and ends on Thursday, August 10, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 04, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 04 2023.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are 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**. Click on NSDL to cast your vote. 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 i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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.: 022 - 4886 7000 and 022 - 2499 7000
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 022-23058542-43

B) Login Method for evoting and joining the virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
b) For Members who hold shares in demat account with CDSL.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

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

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

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: NSDL - 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

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

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

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

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at Khanna.aashima@dalmiasugar.com; sec.corp@dalmiasugar.com. The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by company.

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 19, 2023, 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 2023-24 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 travel and other out of pocket expenses, payable to the Cost Auditors for conducting the Cost Audit subject to ratification by the members in terms of Section 148(3) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, directly or indirectly, 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:

In terms of Section 197 of the Companies Act, 2013, except with approval of the Company in general meeting by way of a special resolution the remuneration payable to directors who are neither managing directors nor whole time directors shall not exceed one percent of the net profits of the Company, if there is a managing director or whole-time director or manager

Further, in terms of Regulation 17(6)(a) of SEBI Listing Regulations, the board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

The Board of Directors has, at its meeting held on May 19, 2023, recommended payment of compensation to Non-Executive Directors including Independent Directors of the Company upto one percent of the net profits of the Company (in addition to sitting fee) in aggregate, in each financial year.

None of the Directors, except the non-executive directors, or Key Managerial Personnel of the Company or their relatives is concerned or interested, directly or indirectly, in the 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.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 71st report on the operations and business performance of your Company along with the audited Financial Statements for the financial year 2022-23.

Financial Highlights

(₹ Crore)

Particulars	FY (2022-23)	FY (2021-22)
Net Sales Turnover	3252.08	3006.86
EBIDTA	512.11	506.58
Less: - Interest & Financial Charges	37.68	34.82
PBDT	474.43	471.76
Less: - Depreciation & Impairment review impact	121.25	72.92
PBT	353.18	398.84
Less: - Tax		
Current Tax	94.12	104.47
Deferred Tax	10.74	(13.49)
Profits after tax from continuing operations	248.32	307.86
Profit before tax from discontinued operations	2.39	(19.21)
Less: - Tax	0.64	(6.71)
Profits after tax from discontinued operations	1.75	(12.50)
Profits after tax- (continuing and discontinued)	250.07	295.36
Add: - Surplus brought forward	**1,960.56**	**1,737.16**
Balance available for appropriation	2,210.63	2,032.52
Appropriations		
Adjustment in pursuant to merger with subsidiary company	-	23.41
Dividend	32.38	48.55
Balance carried Forward	**2,178.25**	**1,960.56**

Operational and Business Performance

During the year under review, your Company has successfully commissioned Jawaharpur grain-based distillery of 110 KL, Ninaidevi sugar expansion from 3000 to 4000 TCD and Ramgarh steam saving devices project.

Your Company has been successful in generating sustained profitability 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.

3 out of 5 plants (Ramgarh, Ninaidevi and Nigohi) have crushed the highest ever cane during the sugar season 2022-23.

Looking at the economics and as a prudent production planning considering ethanol blending program the company has diverted highest ever sugar towards distillery. (around 1.8 LMT)

Kolhapur and Ninaidevi plants stood at No. 1 & No. 2 in the state of Maharashtra in terms of sugar recovery.

The Company achieved the highest ever distillery production and sales during the year.

To reduce dependence on outside fuel (coal) Kolhapur distillery boiler was enabled for bagasse consumption during the year.

Total annualised capacity of distilleries as at the year-end is increased to around 20 crore litres.

Company is in the process of installing/expanding: -

- 300KLPD Grain based distillery at its Nigohi unit,
- Expansion of the Jawaharpur grain-based distillery from 110KL to 250 KL,
- Installing the steam saving devices at Nigohi plant,
- Capacity expansion at Ramgarh sugar unit from 6600 TCD to 7000 TCD; and
- Debottlenecking the Ninaidevi capacity to reduce breakdowns.

Financial milestones:

- Turnover – stood at ₹3328 Crore as against ₹3071 Crore last year
- PBT - ₹355 Crore as against ₹380 Crore last year.
- PAT - ₹250 Crore as against ₹295 Crore last year

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

Management Discussion and Analysis Report

Management Discussion and Analysis of financial performance and results of operations of the Company for the year under review, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**, giving detailed analysis of the overall industry structure, economic developments, performance and state of affairs of your Company's business and material developments during the financial year 2022-23 is provided in a separate section and forms part of the Annual Report.

The Company continued to be engaged in the same business during the financial year 2022-23. There were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

Dividend

The Board of Directors has, at its meeting held on May 19, 2023, recommended a final dividend of Rs.1/- (50%) per equity share of the face value of ₹2/- for the FY 2022-23, having considered various financial and non-financial factors prevailed during the year, in terms of the Dividend Distribution Policy of the Company. The dividend shall be paid upon approval by the members at the Annual General Meeting to all the shareholders (with respect to shares held in physical form) / beneficial owners (with respect to shares held in Demat form) whose names appear in the Register of Members / Beneficial Owners as on the Record Date, i.e., August 04, 2023. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividend shall be paid to the shareholders after deduction of applicable tax at source.

During the year under review, the Board of Directors of the Company had, at its meeting held on February 03, 2023, declared an Interim dividend of ₹3/- (150%) per equity share of the face value of ₹2/- for the FY 2022-23. The interim dividend was paid to the shareholders on February 24, 2023.

During the previous FY 2021-22, the Company had paid a dividend of ₹4/- (200%) to its shareholders which is similar to the year under review.

The Dividend Distribution Policy of the Company is available at the website of the Company at https://www.dalmiasugar.com/wp-content/uploads/2023/02/Dividend-Distribution-Policy-03.02.23.pdf.

Transfer to General Reserves

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

Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Financial Statements of the Company for the financial year 2022-23 have been prepared and form part of the Annual Report.

Scheme of Amalgamation

The Scheme of Amalgamation involving amalgamation of the wholly owned subsidiary namely Himshikhar Investment Limited with the Company has been approved and sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench vide Order dated June 10, 2022 ('NCLT Order').

Pursuant thereto, the Company has surrendered the NBFC registration of Himshikhar Investment Limited to the Reserve Bank of India.

Subsidiaries, Associates and Joint Venture Companies

The Company's wholly owned subsidiary i.e., Himshikhar Investment Limited has got amalgamated pursuant to the NCLT Order. Hence, the Company has no subsidiary as on March 31, 2023. In terms of the SEBI Listing Regulations, as amended from time to time, the Company's Policy for determining Material Subsidiary may be accessed at https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Policy-on-Material-Subsidiaries.pdf

The Company has no Associates or Joint Venture companies.

The Financial Statements of the Company are placed on the Company's website at www.dalmiasugar.com. Any member desirous of obtaining a copy of the Financial Statements may write to the Company Secretary in terms of Section 136 of the Companies Act, 2013.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri T. Venkatesan, Director (DIN: 00124050), is liable to retire by rotation at the forthcoming Annual General Meeting of the Company who has offered himself for reappointment. The Board of Directors recommends his reappointment.

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

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

Board meetings

During the year under review, the Board of Directors of the Company met four times, i.e., on May 24, 2022, July 29, 2022, November 08, 2022 and February 03, 2023. The Board meetings were conducted in due compliance with; and following the procedures prescribed in the Companies Act, 2013, SEBI Listing Regulations and applicable Secretarial Standards. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of the Annual Report.

Committees of the Board

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

The details with respect to the composition and number of meetings held during the financial year 2022-23 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 and the 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. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on the feedback of the Directors given by way of rating and analysis thereof 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 March 31, 2023, 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 https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Nomination-and-Remuneration-Policy.pdf.

Particulars of remuneration of Directors, Key Managerial Personnel and Employees

The details relating to the ratio of the remuneration of each Director to the median employee's remuneration and other prescribed details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as **Annexure – 2** and forms part of this report.

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

Share Capital

During the year under review, pursuant to the amalgamation of Himshikhar Investment Limited with the Company, the Authorised Capital of Himshikhar Investment Limited got combined with the Authorised Capital of the Company and the same got increased from ₹40,00,00,000 to ₹40,50,00,000. There was however 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, no shares were due to be transferred to Investor Education and Protection Fund nor was any amount transferred out of unclaimed dividend account.

Annual Return

In terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed at https://www.dalmiasugar.com/wp-content/uploads/2023/07/Annual-Return-2022-23.pdf

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 2022-23 as per the SEBI Listing Regulations is attached hereto and forms part of the Annual Report.

Business Responsibility and Sustainability Report

Your Directors have provided Business Responsibility and Sustainability Report for the FY 2022-23, which is mandatory for top 1000 companies by market capitalization with effect from FY 2022-23 in terms of Regulation 34(2) of the Listing Regulations. Your Company is at 625 number by market capitalization as of March 31, 2023. The Business Responsibility and Sustainability Report on the following nine principles forms an integral part of the Annual Report:

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

Corporate Social Responsibility (CSR)

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

During the Financial Year 2022-23 in view of various amendments in the legal provisions from time to time the Corporate Social Responsibility Policy was revised to incorporate the amendments. The Corporate Social Responsibility Policy of the Company can be accessed at https://www.dalmiasugar.com/wp-content/uploads/2023/02/DBSIL-CSR-Policy-03.02.23.pdf.

Pursuant to the said Policy, the Company has spent ₹6.97 Crore towards corporate social responsibility activities including livelihood, climate action, social infrastructure during the financial year 2022-23 and no amount has been transferred to Unspent Corporate Social Responsibility Account. The annual report on corporate social responsibility activities is attached and marked as **Annexure – 3** and forms part of this report.

Related Party Transaction Policy and Transactions

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

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

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has formulated a policy on materiality and on dealing with Related Party Transactions and during the financial year 2022-23 in view of the various amendments in the legal provisions from time to time, the Policy on Related Party Transactions has been revised. The same can be accessed at https://www.dalmiasugar.com/wp-content/uploads/2023/02/DBSIL-Policy-on-Related-Party-Transactions-03.02.23.pdf.

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. During the financial year 2022-23 year the Whistle Blower Policy and Vigil Mechanism of the Company has been revised with a view to align with the various changes in law including but not limited to SEBI Listing Regulations from time to time, to smoothen implementation and to address various requirements of the Committee.

The Whistle Blower Policy and Vigil Mechanism can be accessed at https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf

Adequacy of Internal Financial Controls

Your Company has in place adequate internal financial control systems to 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. No complaint was received by ICC during the financial year 2022-23.

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 Financial Statements at note no. 44.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Energy Conservation, Technology Absorption and Foreign Exchange Transactions, is given in **Annexure – 4** 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 Seventy Fifth Annual General Meeting of the Company to be held in 2027.

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

Cost Records and Auditor

Your Company maintains the cost records with respect to its sugar and power business in terms of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. M/s R. J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct Cost Audit for the financial year 2022-23. They had submitted the Cost Audit Report for the financial year 2021-22 on July 29, 2022.

Your Directors have re-appointed M/s R. J. Goel & Co., Cost Accountants, New Delhi, as the Cost Auditors to conduct a cost audit for the financial year ended 2023-24 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, 2022, appointed M/s Vikas Gera & Associates, Practicing Company Secretary, as the Secretarial Auditor of the Company for the financial year 2022-23.

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 2022-23 is attached and marked as **Annexure – 5** and forms part of this report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Compliance with Secretarial Standards

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

Awards and Recognition

Your Company continued its quest for excellence in its chosen area of business to emerge as a true global brand. Several awards and rankings continue to endorse as a thought leader in the industry. The Awards / recognitions received during the financial year 2022-23 include:

1. IAPSIT – Industry Excellence Award in 7th International Sugar Conference & Sugarcon 2022
2. Excellence Award for Efforts to boost Ethanol production, undertake development of value-added products and diversification in process to produce sugar quality
3. Best Co-gen Plant, SDSK, Kolhapur
4. Best DM Plant Manager, Mr. Purushottam Singh, Nigohi Unit
5. Best Instrument Manager, Mr. Manish Kumar Agrawal, Kolhapur Unit

Other Disclosures

1. The Company had not accepted any deposits as per Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.
2. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
3. There was no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.
4. There was no one time settlement entered into with the Banks or Financial Institutions.

Acknowledgement & Appreciation

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

For and on behalf of the Board of Directors

Gautam Dalmia
Managing Director

Bharat Bhushan Mehta
Whole Time Director and CEO

Dated: May 19, 2023
Place: New Delhi

Annexure 1

Working Results of key businesses for the Financial Year 2022-23

Particulars	FY (2022-23)	FY (2021-22)
Sugar Division ('000 MT)		
Cane Crushed	5,375	5,263
Sugar Production	478	486
Sugar Sales	552	612
Co-Generation		
Installed Capacity (MW)	126	119
Production (Million Units)	501	447
Sales (Million Units)	242	272
Distillery		
Installed Capacity (KL/Day)	710	550
Production ('000 KL)	177	117
Sales ('000 KL)	172	121
Magnesite Division ('000 MT)		
Refractory Product Production	7	2
Refractory Product Sale & Self Consumption	8	2
Electronic Division (Nos)		
Chip Capacitor Production	-	2200
Chip Capacitor Sales	-	2200
Wind Farm		
Installed Capacity (MW)	17	17
Production (Million Units)	24.2	21.40
Plant Load Factor	17%	15%
Govan Travels		
Business Handled (₹ In Crore)	15.52	9.73

Annexure 2

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 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23 are as under:

Name of the Director, Chief Financial Officer and Company Secretary and Designation	Remuneration for the financial year 2022-23 (in ₹ Crore)	Ratio of remuneration to median remuneration* of employees	% increase in the remuneration during the financial year 2022-23
Shri Gautam Dalmia Managing Director	12.94	360.69	6.67
Shri Rajeev Bakshi Chairman, Non-Executive Independent Director	0.17	4.73	(79.76)
Smt Amita Misra Non-Executive Independent Director	0.15	4.12	(6.25)
Shri P Kannan Non-Executive Independent Director	0.15	4.18	(6.25)
Shri T. Venkatesan Non-Executive Director	0.02	0.66	0
Shri Bharat Bhushan Mehta Whole-time Director and Chief Executive Officer	3.91	109.03	(14.81)
Shri Anil Kataria Chief Financial Officer	1.30	36.36	14.47
Ms. Aashhima V Khanna Company Secretary	0.12	3.48	25

Note:
** The median remuneration of employees of the Company during the financial year 2022-23 was 3,58,815 /-.*

1. The percentage increase in the median remuneration of employees in the financial year was 28.22
2. The number of permanent employees on the rolls of the Company at the end of the financial year 2022-23 was 2666.
3. The average percentage increase in the salaries of employees other than the managerial personnel was about 9.8% during the financial year 2022-23 and the percentage increase in the remuneration of managerial personnel during the said financial year was about 0.77%. 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 2A

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 2022-23

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	Shri Gautam Dalmia	55	Managing Director	B.SC, M.S. in Electrical Engineering	30	16/01/2007	None	12.94
2	Shri B.B. Mehta	69	Whole time Director & CEO	B.Com(H), CA	46	01-04-2019	Dalmia Bharat Limited	3.91
3	Shri Pankaj Rastogi	59	Chief Operating Officer	B.Tech, PGDM	36	01-01-2019	Dalmia Bharat Limited	2.02
4	Shri Anil Kataria	63	Chief Financial Officer	B.Com, CA & CS	37	06/04/2009	Escorts Group	1.30
5	Shri Chandar Pal Chandana	54	Deputy Executive Director	MBA	33	20-08-2007	Century Metal & Alloys	0.79
6	Shri Kuldeep Kumar	53	Deputy Executive Director	MBA - Operations	32	17-07-2015	Mawana Sugar Works	0.89
7	Shri Naveen Kumar Gupta	54	Deputy Executive Director	BE(Civil)	32	01-12-2009	Feedback Ventures Pvt. Ltd.	1.41
8	Shri R.H. Dalmia	74	Advisor	B. tech	50	01-05-2019	Dalmia Cement (Bharat) Limited	1.71
9	Shri Kapil Nema	41	Assistant Executive Director	MBA	16	16-04-2020	Shree Renuka Sugars	0.83
10	Dr. T. Settu	57	Unit Head	Phd	24	13-08-1996	-	1.00

Notes:

1 None of the above employees held 2% or above of the equity share capital of the Company as on March 31, 2023 either himself and /or alongwith his spouse and dependent childern.

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

3 Shri Gautam Dalmia was employed as Managerial Personnel on fixed term basis.

4. None of the above employee is a relative of any directors of the Company.

Annexure 3

ANNUAL REPORT ON CORPRATE SOCIAL RESPONSIBILITY ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline on CSR policy of the Company.

The vision of our company, Dalmia Bharat Sugar & Industries Limited ("Company") is to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, by making definitive triple bottom-line (social, economic and environmental) impact. While we have always had a strong commitment to comply with the law, we seldom hesitate to go beyond the limits laid under law and put in an extra effort to achieve the status of a responsible corporate citizen in tune with the Dalmia Group's values. Aiming at creating shared values for all stakeholders, we seek to integrate corporate social responsibility ("CSR") into our businesses processes.

In compliance with the provisions of section 135 of the Companies Act, 2013 ("Act") including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), the Company shall undertake its CSR activities, projects, programmes (either new or ongoing) in a manner compliant with the Act and the Rules ("Projects").

Our approach towards CSR is based on our Company's core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our Company's commitment to sustainability. True to the spirit of our vision, we strive to utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The main objective of this Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own resources towards improving the quality of life and building capacities of the local communities and society at large.

2. Composition of the CSR Committee.

As per the Companies Act, 2013, the Company has constituted CSR Committee consisting of following directors:

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	Amita Misra	Chairperson, and Director	4	4
2	Gautam Dalmia	Director, Member	4	2
3	Bharat Bhushan Mehta	Director, 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/investors/

https://www.dalmiasugar.com/wp-content/uploads/2023/02/DBSIL-CSR-Policy-03.02.23.pdf

https://www.dalmiasugar.com/wp-content/uploads/2022/10/Financial-Year-2022-23.pdf

4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Project carried out in pursuance of sub-rule (3) of rule 8, if applicable.

N.A.

5.

(a)	Average net profit of the Company as per sub-section (5) of Section 135.	₹323,40,00,000
(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135.	Rs.6,47,00,000
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NIL
(d)	Amount required to be set-off for the financial year, if any	NIL
(e)	Total CSR obligation for the financial year [(b)+(c)-d)]	₹6,47,00,000

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹6,97,00,000
(b)	Amount spent in Administrative Overheads	NIL
(c)	Amount spent on Impact Assessment, if applicable	NIL
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹6,97,00,000
(e)	CSR amount spent or unspent for the Financial Year:	NIL

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.6,97,00,000.00	NIL			NIL	

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	9
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	NIL			NA			
2	FY-2	50,00,000	0	0	NA			
3	FY-3	NIL	50,00,000	50,00,000	NA			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ☑ No

If Yes, enter the number of Capital assets created/ acquired	NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
	NIL						

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

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

N.A.

Annexure 4

Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earnings for the financial year 2022-23

(A) Conservation of Energy:

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

a) In Ramgarh sugar plant steam saving achieves from 44% per ton of cane to 34% per ton of cane crush.

b) Company has successfully implemented Bagasse uses as fuel as replacement of coal in Incineration boiler in Kolhapur Plant.

c) In Jawaharpur sugar plant back pressure turbine technology is being initiated for overall system efficiency improvement after successful implementation in Nigohi Plant.

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

e) Mechanical Vapour Recompression (MVR) technology is initiated in Jawaharpur Grain Distillery without adding any steam generation capacity.

f) A completely new grain distillery plant added in Jawaharpur unit to improve overall efficiency of overall complex.

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

The Company is primarily using 100% renewable source of energy. Use of solar energy is adopted up to maximum wherever possible. However solar street lights have been installed additionally.

III. The capital investment on energy conservation equipment -

Company has invested around ₹214.33 Crore during the financial year 2022-23 to conserve the energy.

1. Back Pressure Turbine- 12 Cr
2. Ramgarh Steam Economy - 46 Cr
3. Jawaharpur MVR Based Distillery (Under implementation)- 155 Cr
4. Dust Collection System- 1.33 Cr

(B) Technology Absorption:

I. The efforts made towards technology absorption –

a. Steam saving technology is introduced resultant into 10% steam saving per ton of cane crush.

b. Dust collection system is adopted in two units to recover maximum sugar from the atmosphere in the bagging area to make sugar bagging area dust-free and eco-friendly.

c. Mechanical Vapours Recompression (MVR) technology is adopted.

d. Company has invested in proven state of art latest technologies for the treatment of in-house effluents for recycling of process condensate up to maximum level.

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

f. Drip irrigation schemes with no pumping technology.

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

Company has introduced ethanol production from grain and cane syrup by enhancing capacities of existing distilleries to support Ethanol Blending Programme (EBP) which is being used as blending with Petrol.

Dust collection process is introduced in Jawaharpur and Ramgarh which has reduced sugar dust in bagging along with atmosphere in the bagging area to make sugar bagging area dust-free and eco-friendly.

Company has successfully implemented Bagasse uses as fuel as replacement of coal in Incineration boiler in Kolhapur Plant which is renewable fuel.

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

Imported Hydraulic variable speed drive is being replaced with indigenous ACVFD drives + gearbox.

In product development, we have developed 25Kg bag and 5gm sachets.

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 ₹6.37 Crore on cane development and ₹0.17 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 ₹636.61 Crore

ii. Foreign Exchange outgo during the year in terms of actual outflows is ₹0.52 Crore

For and on behalf of the Board of Directors

Gautam Dalmia
Managing Director

Bharat Bhushan Mehta
Whole Time Director and CEO

Dated: May 19, 2023
Place: New Delhi

Annexure 5

SECRETARIAL AUDIT REPORT

(For the Financial Year ended March 31, 2023)

To,
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt.,
Tamil Nadu 621651

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

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:

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

- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Industrial Employment (Standing Orders) Act, 1946
- Factories Act, 1948
- Energy Conservation Act, 2001
- Uttar Pradesh Labour Welfare Fund Act, 1965 and Uttar Pradesh Labour Welfare Fund Rules, 1972
- Uttar Pradesh Shops and Commercial Establishment Act, 1947 and Uttar Pradesh Shops and Commercial Establishment Rules, 1963

  Compliances in respect of other laws, as stated above were generally made during the financial year 2022-23.

7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.

8) We have also examined compliance with the applicable Regulations of SEBI (LODR) Regulations, 2015, as amended, in connection with listing of its securities with Bombay Stock Exchange and National Stock Exchange;

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

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

We further report that:

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

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

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

Signature:

Vikas Gera & Associates
Company Secretaries
FCS No. 5248
C P No. 4500

Place: Delhi
Date: May 19, 2023
UDIN: F005248E000302591

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

"Annexure A"

To,
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt.,
Tamil Nadu 621651

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

(1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis through e-mode, to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company and Direct and Indirect Tax Laws as the same have been subject to review by the Statutory Auditor and any other designated professional.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Vikas Gera & Associates
Company Secretaries
FCS No. 5248
C P No. 4500

Place: Delhi
Date: May 19, 2023
UDIN: F005248E000302591

Corporate Governance Report

The Report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI Listing Regulations") is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our corporate culture reflects our core values which are Integrity, Humility, Trust & Respect and Commitment.

Corporate governance at our Company helps to cultivate a culture of integrity, leading to positive performance and sustainable business. It increases the accountability of all individuals and teams within the Corporate. The interests of the management are aligned with external stakeholders which provides the Company with a strong competitive advantage.

Principles of Corporate Governance

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. We accord the highest priority to system-driven performance.

Our Company represents modern India, which has a blend of traditional Indian values and an aggressive performance-driven culture. We inculcate an operational work behaviour of Speed, Learning, Teamwork & Excellence to complement the performance culture.

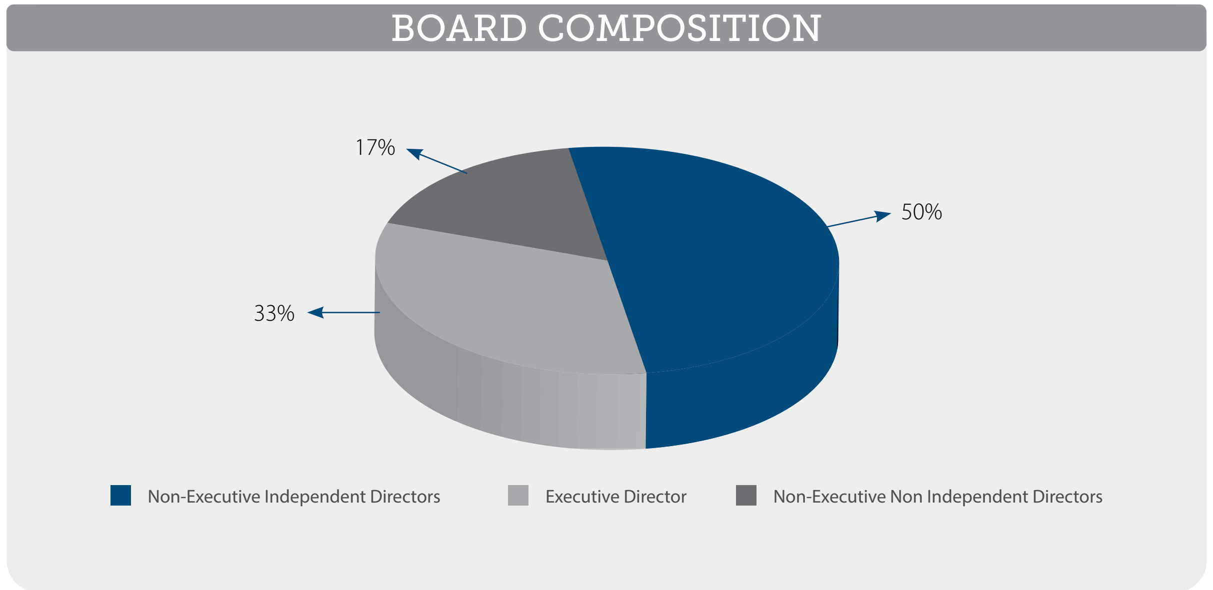
BOARD OF DIRECTORS

Start from this parra Directors makes continual endeavour and align the interests of the Board, management, investors, shareholders and stakeholders. The Board carries out its duties and responsibilities with full transparency and accountability. Our Board also delegates some of its duties to the Board Committees. The Board Committees act as a subset of the full Board. Committees devote the necessary time and resources to issues requiring expertise. Committees delve deep into issues, often calling in experts to assist them. Committees provide regular reports to the Board on the matters they're charged with handling.

(a) Size and Composition of the Board

Our Board has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its Independence. Our Board comprises six Directors out of which 50% comprises of Independent Directors including one Independent Woman Director, 17.7% are Non-Executive Non-Independent Directors and 33.3% are the Executive Directors. The Chairperson 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 as on March 31, 2023 is as under:



All the Independent Directors have given declaration(s) that they meet the criteria of independence as prescribed in 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.

The Composition of the Board and other Directorships of Directors of the Company held as on March 31, 2023 are provided in below Table 1.

S. No.	Name	Category	Number of shares held in the Company	No. of outside Directorship(s) in Public Limited Companies (1) (3)	Name of the other Listed Companies in which Director 1	Membership (s) of Committees of other Companies 2	Chairmanship(s) of Committees of other Companies 2
1.	Shri Rajeev Bakshi (Chairperson)	ID	-	3	• Cummins India Limited • Macrotech Developers Limited	1	0
2.	Shri Gautam Dalmia	ED	151990	5	• Dalmia Bharat Limited • Indian Energy Exchange Limited	3	0
3.	Shri Bharat Bhushan Mehta	ED	-	4	-	0	0
4.	Shri P. Kannan	ID	2730	0	-	0	0
5.	Smt Amita Misra	ID	-	3	• Welspun Corp Limited • Welspun Specialty Solutions Limited	4	0
6.	Shri T. Venkatesan	NED	12090	1	-		

NED – Non-Executive Director

ID – Non-Executive Independent Director

ED – Executive Director

Note: -

1. Excluding directorships in Private Limited Companies, Foreign Companies and Section 8 Companies under the provisions of the Companies Act, 2013.
2. As required by Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholder's relationship committee in Indian public companies (listed and unlisted).
3. None of the Directors (i) hold membership in more than ten public limited companies and (ii) is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director (iii) hold directorship in more than seven listed companies and serve as an independent director in more than seven listed companies.
4. None of the Directors are related to each other.

   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 Vikas Gera, 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 2022-23, the Board of Directors had met four times on the below mentioned dates: -

S.No.	Date	Mode of conduct
1.	24.05.2022	
2.	28.07. 2022	
3.	07.11.2022	
4.	03.02.2023	

 Video Conference  Physical meeting

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 2022-23.

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

Name of the Director	Attendance at Board Meetings held during the year				% of attendance	Annual General Meeting
	1	2	3	4		
Shri. Gautam Dalmia	√	√	√	√	100	√
Shri P. Kannan	√	√	√	√	100	√
Smt. Amita Misra	√	√	√	√	100	√
Shri. Bharat Bhushan Mehta	√	√	√	√	100	√
Shri T. Venkatesan	√	√	√	√	100	×
Shri Rajeev Bakshi	√	√	√	√	75	√

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

(c) Meeting of Independent Directors and familiarization programmes

The Independent Directors of the Company met once during the financial year on February 03, 2023 through video conference 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 Chairperson of the Company (considering 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/her, the Board level committees in which he/she 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 2022-23 are disclosed at https://www.dalmiasugar.com/wp-content/uploads/2023/06/Familiarization-Programmes-2022-23.pdf in terms of SEBI Listing Regulations.

(d) Remuneration paid to Directors

The Non-Executive Directors of the Company 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 for the financial year 2022-23 are provided in below Table 3.

Table 3: Remuneration details (₹ in Cr)

S. No	Name of Director	Sitting fees	Commission	Salary and perquisites	Retirement benefits	Total
1	Shri. Gautam Dalmia	-	-	12.28	1.34	13.62
2	Shri Rajeev Bakshi	0.02	0.15	-	-	0.17
3	Smt. Amita Misra	0.05	0.10	-	-	0.15
4	Shri P. Kannan	0.04	0.10	-	-	0.14
5	Shri T. Venkatesan	0.02	-			0.02
6	Shri bharat bhushan mehta	-	-	3.69	0.22	3.91

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 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 2022-23 is enclosed at the end of this report.

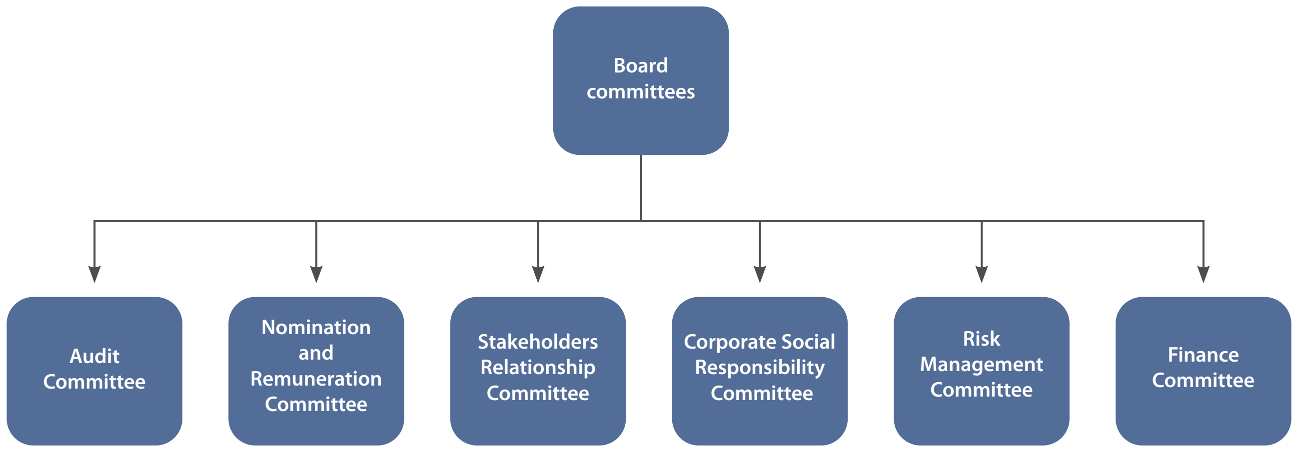
(g) Board Skill Matrix

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.	Experience, Expertise and Attributes	Name of Directors	Description
1	Leadership	Shri Rajeev Bakshi, Shri Gautam Dalmia, Shri Bharat Bhushan Mehta	• Strong management and leadership experience • Visionary with strategic goal • Identify possible road maps, approach, processes, key deliverables • Mentor the team to channelize energy/efforts in appropriate direction • 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	Industry knowledge and experience	Shri Gautam Dalmia, Shri Bharat Bhushan Mehta, Shri T. Venkatesan, Shri Rajeev Bakshi	• Indepth knowledge of businesses viz. Sugar, Power and Distillery • Vast industry experience
3	Experience in Policy shaping and industry advocacy	Shri T. Venkatesan, Smt. Amita Misra Shri Rajeev Bakshi	• Professional relationship with the policy makers and regulators • Contribution in shaping of Government policies in the areas of Company's business
4	Governance including legal compliance	Smt. Amita Misra, Shri P. Kannan, Shri T. Venkatesan	• Commitment, belief and experience in setting corporate governance practices • Support the Company's legal compliance systems and governance policies/practices.
5	Finance & Accounts / Audit / Risk Management areas	Smt. Amita Misra, Shri Rajeev Bakshi, Shri T. Venkatesan, Shri P. Kannan	• Expertise in accounting and finance • Contribute to the financial/risk management policies/ practices • Knowledge on labour laws, international markets • Risk Management skills

COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

Composition of Committees, their meetings and attendance



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

The 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, financial management, internal controls and systems and procedures and have held or hold senior positions in other reputed organizations.

The Committee met four times during the financial year 2022-23 and the gap between two committee meetings did not exceed 120 days: -

S.No.	Date	Mode of conduct
1.	24.05.2022	
2.	29.07. 2022	
3.	08.11.2022	
4.	03.02.2023	

Video Conference   Physically at the corporate office of the Company

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

Name of the Director	Attendance at Board Meetings held during the year				% of attendance	Annual General Meeting
	1	2	3	4		
Smt Amita Misra (Chairperson)	√	√	√	√	100%	√
Shri P. Kannan	√	√	√	√	100%	√
Shri B. B. Mehta	√	√	√	√	100%	√

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) read with Schedule II, Part C of the SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Audit Committee broadly includes the following:

- Recommendation for appointment, remuneration and terms of appointment of Statutory and Cost Auditors of the Company and payment for any other services rendered by them, review and monitor their independence and performance, and effectiveness of audit process.
- Oversight of the Company's financial reporting process, reviewing the quarterly financial statements and the annual financial statements and auditor's report thereon before submission to the Board for approval and to ensure that the financial statements are correct, sufficient and credible.
- 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 representatives of Statutory Auditors, Internal Auditors, Chief Executive Officer- Sugar Business and Chief Financial Officer usually attend the committee meetings. The Cost Auditors attend the Audit Committee meeting in which the Cost Audit Report is discussed and annexures thereto are approved. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the recommendations of the Audit Committee during the financial year 2022-23 were accepted by the Board of Directors.

All the members, including the Chairperson, of the Audit Committee were present at the Annual General Meeting of the Company held on August 04, 2022.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee met once during the financial year 2022-23: -

S.No.	Date	Mode of conduct
1.	28.07. 2022	

Video Conference

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

Name of the member	Attendance at Nomination and Remuneration Committee meeting held during the year	% of attendance
Smt. Amita Misra	√	100%
Shri P. Kannan	√	100%
Shri Rajeev Bakshi	√	100%

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) read with Schedule II, Part D, Para A of the 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 Head of Human Resource department attends all the Nomination and Remuneration Committee meetings, 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 2022-23 were accepted by the Board of Directors.

All the members, including the Chairperson, of the Nomination and Remuneration Committee were present at the Annual General Meeting of the Company held on August 04, 2022.

The Board has adopted the Nomination and Remuneration Policy as formulated and recommended by the Committee. The said policy is revised from time to time as recommended by the Nomination and Remuneration Committee. The Policy is available on the website of the Company https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Nomination-and-Remuneration-Policy.pdf

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 2022-23, performance evaluation of the entire Board and the Committees of the Board was carried out by the Board. Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

Further, the Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole, and reviewed the performance of the Chairperson of the Company

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met twice during the financial year 2022-23:

S.No.	Date	Mode of conduct
1.	24.05.2022	
2.	28.07. 2022	

Video Conference

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

Name of the Director	Attendance at Stakeholders Relationship Committee meetings held during the year		% of attendance
	1	2	
Shri P. Kannan (Chairman)	√	√	**100%**
Shri Gautam Dalmia	×	×	**0**
Shri B.B. Mehta	√	√	**100%**

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) read with Schedule II, Part D, Para B of the SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time. The Stakeholders' Relationship Committee looks into various aspects of interest of shareholders and other security holders and its role broadly includes the following:

- Resolve grievances of security holders.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to service standards adopted in respect of services being rendered by the Registrar and Share Transfer Agent.
- Review measures for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by shareholders.
- Review status of transfer of dividend and shares to Investor Education and Protection Fund and refund thereof by Investor Education and Protection Fund.

All the members, including the Chairperson, of the Stakeholders' Relationship Committee were present at the Annual General Meeting of the Company held on August 04, 2022.

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:

Details of shareholders' complaints received by the Company during the financial year 2022-23 are given below in Table 7:

Table 7: Shareholders complaints (₹ in Cr)

Nature of Complaint	Pending as on April 01, 2022	Received during the year	Resolved satisfactorily during the year	Pending as on March, 31 2023
Non-receipt of Annual Report	NIL	2	2	NIL
Non-receipt of Dividend Warrants	NIL	134	134	NIL
Non-receipt of securities after transfer / transmission / duplicate / demat / name correction / split etc.	NIL	44	44	NIL
Complaints received from:				
- Securities and Exchange Board of India	NIL	2	2	NIL
- Stock Exchanges	NIL	NIL	NIL	NIL
- Registrar of Companies/ Department of Company Affairs	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL
Total	**NIL**	**182**	**182**	**NIL**

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met four times during the financial year 2022-23:

S.No.	Date	Mode of conduct
1.	23.05.2022	
2.	28.07. 2022	
3.	07.11.2022	
4.	02.02.2023	

Video Conference   Physically at the corporate office of the Company

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

Name of the Director	Attendance at the Corporate Social Responsibility Committee meetings held during the year				% of attendance
	1	2	3	4	
Smt Amita Misra	√	√	√	√	**100%**
Shri Gautam Dalmia	×	√	√	×	**50%**
Shri B.B. Mehta	√	√	√	√	**100%**

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

- Formulate and recommend Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on activities to be undertaken by the Companies in the areas or subject, specified on Schedule VII of the Companies Act, 2013.
- Monitor the Corporate Social Responsibility Policy from time to time.

All the recommendations of the Committee during the financial year 2022-23 were accepted by the Board of Directors.

The Board has adopted the CSR Policy as formulated and amended from time to time and recommended by the Committee. The CSR Policy is available on the website of the Company at https://www.dalmiasugar.com/wp-content/uploads/2023/02/DBSIL-CSR-Policy-03.02.23.pdf The Annual Report on CSR activities for the financial year 2022-23 forms part of the Board's Report.

Risk Management Committee

The Risk Management Committee met two times during the financial year 2022- 23: -

S.No.	Date	Mode of conduct
1.	23.05.2022	
2.	07.11. 2022	

Video Conference   Physically at the corporate office of the Company

The composition of the Risk Management Committee and attendance details of the Risk Management Committee meetings are given in below Table 9:

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

Name of the Director	Attendance at Stakeholders Relationship Committee meetings held during the year		% of attendance
	1	2	
Shri Rajeev Bakshi	√	√	**100%**
Shri T. Venkatesan	√	√	**100%**
Shri B.B. Mehta	√	√	**100%**

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:

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

The Company Secretary of the Company acts as the Secretary of the Risk Management Committee. All the recommendations of the Committee during the financial year 2022-23 were accepted by the Board of Directors.

Finance Committee

The Company has a Finance Committee with Smt. Amita Misra, Chairperson and Shri Gautam Dalmia and Shri Bharat Bhushan Mehta, members. There was no meeting held of the Finance Committee during the year.

The role of Finance Committee broadly includes the following:

- 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.;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters.

GENERAL BODY MEETINGS

(a) Annual General Meetings ("AGM")

The AGMs are held at the registered office of the Company. But MCA (Ministry of Corporate Affairs) vide General Circular No. 10/2022 and 11/2022 dated December 28, 2022 and in continuation to the General Circular No. 20/2020 dated May 05, 2020 and General Circular No 02/2022 dated May 05, 2022, read with all other applicable provisions of laws, allowed the companies whose AGMs are due in the year 2023, to conduct their AGMs on or before September 30, 2023 through VC/OVAM in accordance with the requirements laid down in circular dated May 05, 2020.

Accordingly, the AGM of the Company during 2022 was held through Audio Video Means and AGM during 2023 will also be held through Audio Video Means.

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

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

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

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

AGM	Date	Time	Location
2021-22	August 04, 2022	10.30 a.m.	Video Conference
2020-21	September 21, 2021	10:30 a.m.	Video Conference
2019-20	September 18, 2020	10:30 a.m.	Video Conference

Video Conference

(b) Special Resolutions

Table 11: Details of Special Resolutions passed during last three AGMs: -

70th AGM held on August 04, 2022

- Approval of remuneration to be paid to Mr. Rajeev Bakshi, Chairman (Non-Executive & Independent Director), for the Financial Year 2021-22, which may exceed fifty per cent of the total remuneration payable to all the Non-Executive Directors.

69th AGM held on September 21, 2021

- Re-appointment of Shri Gautam Dalmia as the Managing Director of the Company for a period of five years with effect from January 16, 2022.
- Re-appointment of Shri Bharat Bhushan Mehta as the Whole Time Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2022.
- Alteration of the object clause of the Memorandum of Association of the Company.
- Alteration of the existing Articles of Association of Company by replacing the same with a new set of Articles of Association of the Company.

68th AGM held on September 18, 2020

NIL

(c) Postal Ballot

No Special Resolution was passed during financial year 2022-23 through postal ballot.

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

MEANS OF COMMUNICATION

Quarterly results

The quarterly unaudited/audited financial results of the Company prepared in the format prescribed by SEBI Listing Regulations are recommended by the Audit Committee and approved by the Board of Directors. The same are limited reviewed/audited by the Statutory Auditors and are submitted to the Stock Exchanges, on which the shares of the Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited, within a period of 45 days of the close of every quarter and within a period of 60 days in case of annual financial results. The results are disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) within 30 minutes of the closure of the Board meeting.

The financial results are normally published in Business Line, i.e., the English language national daily newspaper circulating in the whole or substantially the whole of India and in Dinamani, i.e., the daily newspaper published in the language of the region where the registered office of the Company is situated, i.e., Tamil.

The financial results are also posted on the website of the Company, i.e., www.dalmiasugar.com.

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, Disclosures as per SEBI Listing Regulations, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. electronically on NEAPS and BSE Listing Centre.

GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on Friday, August 11, 2023 at 10.30 a.m. through Audio Video Means as permitted by MCA General Circular dated December 28, 2022.

(b) Financial year

The financial year of the Company is from April 01, 2022 to March 31, 2023.

(c) Dividend

The Board of Directors has, at its meeting held on May 19, 2023, recommended a dividend of ₹1/- (50%) per equity share of face value of ₹2/- for the financial year 2022-23 and same shall be paid to the members of the Company whose names appear in the Register of Members of the Company as on the Record Date, i.e., August 04, 2023. The Dividend payment date is August 16, 2023 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 and stock codes

The Equity Shares issued from time to time, of the Company are listed on the following Stock Exchanges:

Name of the Stock exchange	BSE Limited	National Stock Exchange of India Limited
Address	New Trading Ring Rotunda Building P.J. Towers, Dalal Street, Fort, Mumbai - 400001	Exchange Plaza, 5th Floor, Plot No. C/1, G – Block Bandra Kurla Complex, Bandra (East) Mumbai – 400051
Scrip code	500097	DALMIASUG
ISIN (for dematerialised shares)	INE495A01022	

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) 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 2022-23 is given below in Table 12.

Table 12: High, low and close market price of the shares during financial year 2022-23 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2022	568.65	452.75	469.40	569.55	451.10	469.2
May, 2022	473.00	313.40	383.90	475.00	312.00	384.50
June, 2022	398.00	282.10	311.70	398.30	281.05	311.15
July, 2022	396.90	307.30	374.55	386.15	307.00	375.55
August, 2022	369.85	326.65	349.35	370.00	326.35	348.95
September, 2022	369.00	313.50	324.90	369.05	314.75	324.65
October, 2022	347.00	311.60	316.65	348.00	311.35	316.25
November, 2022	368.10	310.85	353.40	368.95	311.25	353.30
December, 2022	440.55	339.95	381.35	440.90	340.35	381.35
January, 2023	398.45	341.55	356.35	398.45	341.05	354.65
February, 2023	361.15	311.00	317.00	361.65	311.05	316.85
March, 2023	367.05	310.50	336.55	367.00	310.10	337.95

Chart A: Share Performance versus BSE Sensex

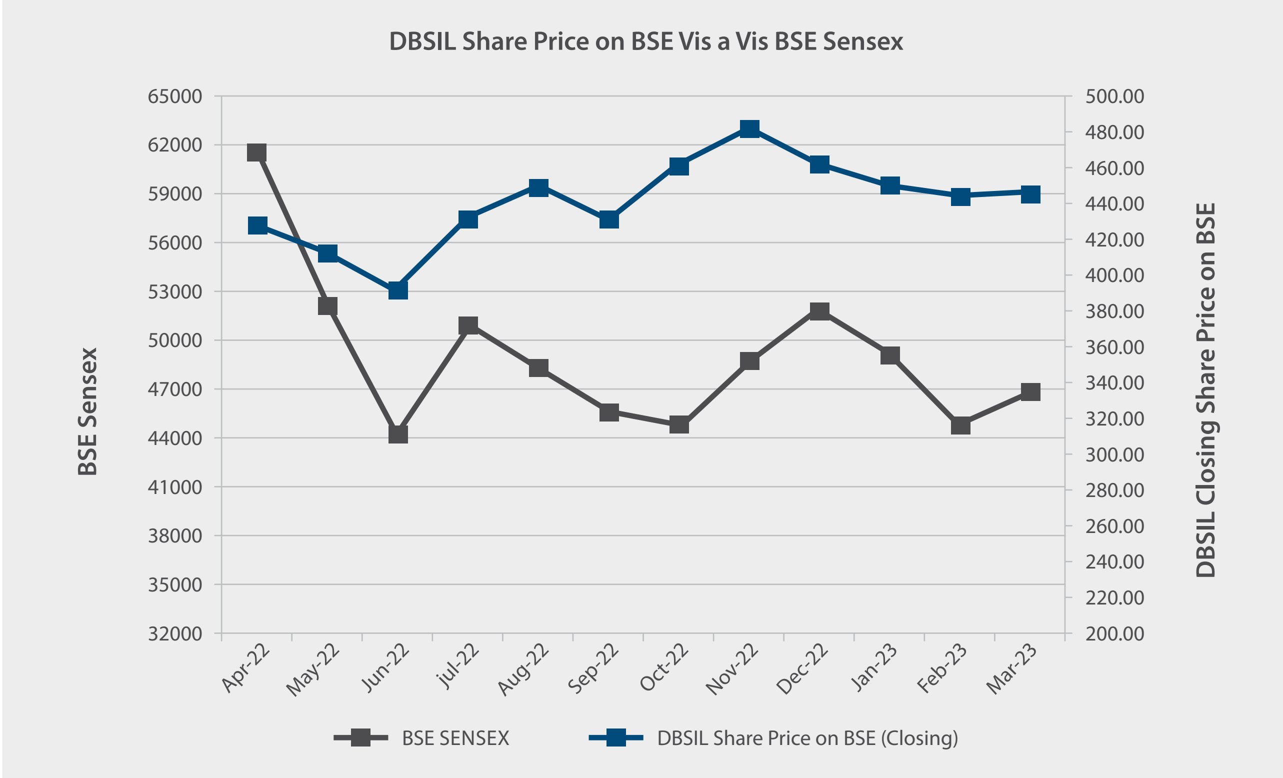
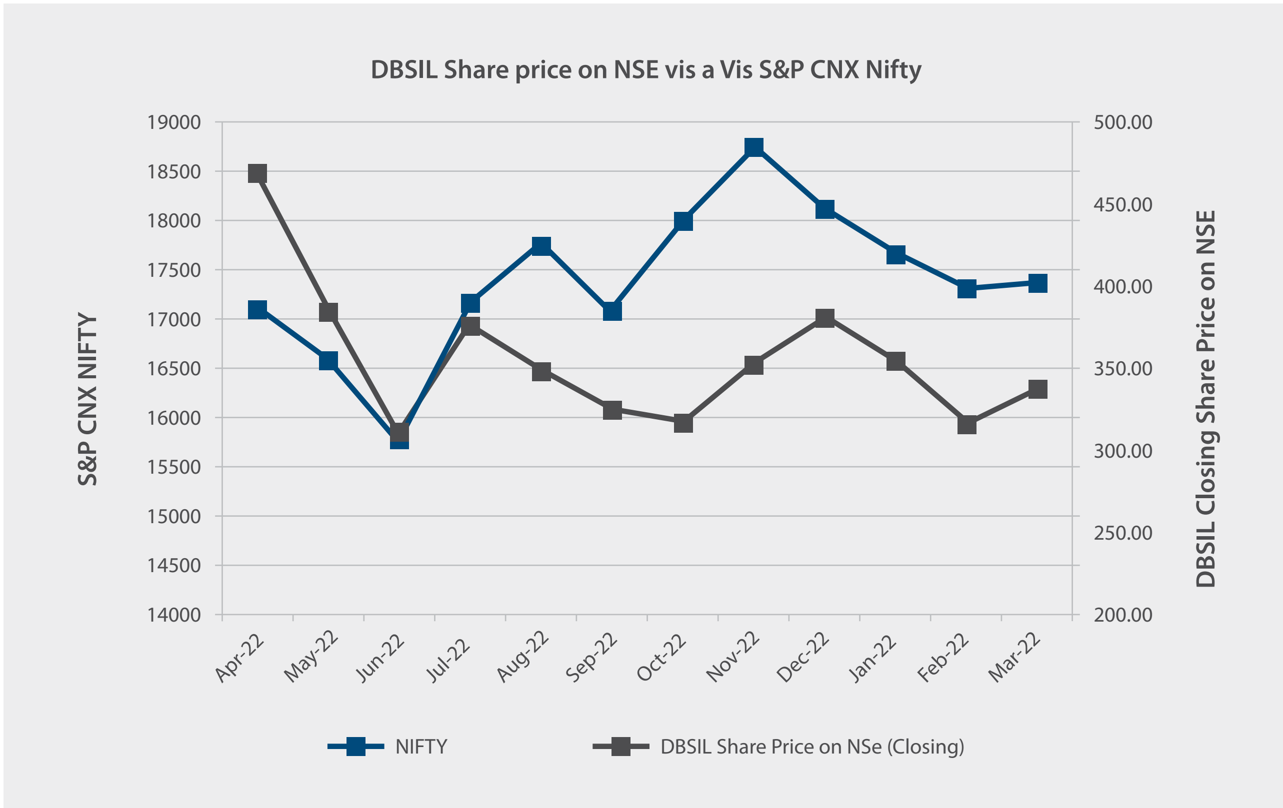


Chart B: Share Performance versus NIFTY



(f) Registrar and Transfer Agent

KFin Technologies Limited (formerly known as KFin Technologies Private Limited) is the Registrar and Transfer Agent of the Company:

Name	KFin Technologies Limited
Address	Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Rangareddy, Telangana, India - 500032. Toll Free No: 1- 800-309-4001
WhatsApp Number	(91) 910 009 4099
Corporate Website Link	https://www.kfintech.com
Corporate Registry (RIS) Website Link	https://ris.kfintech.com
KPRISM	https://kprism.kfintech.com
Investor Support Centre Link	https://ris.kfintech.com/clientservices/isc

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.

98.81% 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 2022-23, requests for effecting transfer of shares were not processed unless shares were held in the dematerialized form with a depository. Further, transmission or transposition of shares held in physical or dematerialized form were also affected only on dematerialized form, in compliance with Regulation 40 of SEBI Listing Regulations.

A summary of transfer and transmission of shares of the Company as provided by the Registrar and Share Transfer Agent 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.

(g) Distribution of Shareholding

Tables 13 and 14 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2023.

Table 13: Distribution of shareholding by size

	DALMIA BHARAT SUGAR AND INDUSTRIES LTD				
	Distribution of Shareholding as on 31/03/2023 (TOTAL)				
S. no	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	40816	92.80	2587291	3.20
2	501 - 1000	1412	3.21	1089120	1.35
3	1001 - 2000	866	1.97	1294343	1.60
4	2001 - 3000	301	0.68	762887	0.94
5	3001 - 4000	156	0.35	558380	0.69
6	4001 - 5000	86	0.20	390577	0.48
7	5001 - 10000	165	0.38	1172918	1.45
8	10001 - 20000	83	0.19	1185579	1.46
9	20001 and above	98	0.22	71898208	88.83
	TOTAL:	**43983**	**100.00**	**80939303**	**100.00**

Table 14: Distribution of shareholding by ownership

Particulars	No. of shareholders	% of shareholders	No. of Shares held	% of Shareholding
Promoters	10	0.02	1120450	1.38
Promoters Bodies Corporate	8	0.02	59513672	73.53
Central/State Governments	4	0.01	128155	0.16
Financial Institutions/Banks	11	0.02	50980	0.06
Mutual Funds	1	0	2500	0
Foreign Institutional Investors	48	0.11	822499	1.02
Bodies Corporates	213	0.50	528442	0.65
NRI/Foreign Nationals	834	1.92	295715	0.37
IEPF	1	0	1349517	1.67
Individuals/Others	42238	97.40	17127373	21.16
Total	**43368**	**100**	**80939303**	**100**

(h) Outstanding GDRs/ADRs/Warrants/Options

Nil

(i) Commodity price risk or foreign exchange risk and hedging activities

Commodities form a major part of business of the Company and hence commodity price risk is one of the important risks for the Company. The Company has a robust mechanism in place to protect the Company's interest from risks arising out of market volatility. The Company's forward integration into cogeneration and distillery helped hedge revenues and moderate dependence on sugar for profitability.

Company is exporting large amount of sugar. Most of these exports are done in foreign currency, hence there is a risk of exchange rate fluctuation especially in the current volatile scenario. Hence, the Company hedge all the foreign currency exposures.

(j) Plant locations

The Group has manufacturing plants as detailed below in Table 15.

Table 15: Plant Locations: -

S. No.	Sugar Plants	
	Unit Name	Address
1	**Ramgarh**	Village & Post – Ramgarh, Tehsil - Mishrikh, District - Sitapur, Pincode - 261403, Uttar Pradesh
2	**Nigohi**	Village-Kuiyan, Post- Areli,Tehsil - Tilhar, District - Shahjahanpur, Pincode - 242407, Uttar Pradesh
3	**Jawaharpur**	Village- Jawaharpur, Post - Ramkot, Tehsil – Sitapu r Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh
4	**Shri Datta, Asurle - Porle**	Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode-416229, Maharashtra
5	**Ninaidevi, Kokrud**	Village & Post-Karungali-Aarala, Taluka – Shirala, District - Sangli, Pincode-415405, Maharashtra

S. No.	Distillery Plants	
	Unit Name	Address
1	**Jawaharpur**	Village- Jawaharpur, Post-Ramkot, Tehsil- Sitapur Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh
2	**Nigohi**	Village-Kuiyan, Post- Areli, Tehsil - Tilhar, District - Shahjahanpur, Pincode -242407, Uttar Pradesh
3	**Shri Datta, Asurle - Porle**	Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode-416229, Maharashtra
4.	**Ramgarh**	Village & Post – Ramgarh, Tehsil - Mishrikh, District - SitapurPincode - 261403, Uttar Pradesh

S. No.	Others Plants	
	Description	Address
1.	Magnesite Refractory products	Dalmia Magnesite Corporation (Prop. Dalmia Bharat Sugar and Industries Limited) Salem (Tamil Nadu) Vellakkalpatti, P.O. Karuppur, Salem – 636012.
2	Wind Farm Unit	Dalmia Wind Farm (Prop. Dalmia Bharat Sugar and Industries Limited) Muppandal (Tamil Nadu) Aralvaimozhy –629301 District Kanyakumari (Tamil Nadu)

(k) Address for correspondence

Description	Address
Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - – 621651 Phone: 04329 – 235132 Fax: 04329 235111	11th and 12th Floor, Hansalaya Building, 15, Barakhamba Road New Delhi – 110 001 Phone: 011-23465100

The Company has also designated sec.corp@dalmiasugar.com as an exclusive email ID for investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

(l) Credit rating

During the financial year 2022-23, ICRA Limited has reaffirmed the long-term rating at [ICRA]AA (pronounced ICRA double AA) and has reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus). The outlook on the long-term rating is Stable.

Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations and instruments with [ICRA]A1 rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Within this category, rating modifier {"+"} used with the rating symbol reflects the comparative standing within the category.

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.

During the financial year 2022-23, the Company's Policy on Related Party Transactions was reviewed and amended in view of various changes in SEBI Listing Regulations. The said policy is posted at https://www.dalmiasugar.com/wp-content/uploads/2023/02/DBSIL-Policy-on-Related-Party-Transactions-03.02.23.pdf

(b) Loans and advances

During the year under review, the Company has not given any Loans and advances in the nature of loans to firms/ companies in which directors are interested

(a) 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 does not have any material unlisted subsidiary.

(b) Disclosure in relation to the Sexual Harassment of Women at Work place (Prevention Prohibition & Redressal) Act, 2013

The Company is committed to create a workplace free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company has in place Policy against sexual harassment of women. During the year the Company did not receive any sexual harassment complaint and there are no pending complaints at the end of the year.

(c) Whistle Blower Mechanism

During the financial year 2022-23, the Whistle Blower policy and Vigil Mechanism was reviewed and amended to further strengthen the systems and procedure and same is posted on the Company's web-site at

https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf. As per the said policy, no person has been denied access to the Audit Committee.

(d) 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.

(e) 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.

(f) Compliance

Mandatory requirements:

The Company has complied with all the applicable mandatory requirements specified in regulation(s) 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 SEBI Listing Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

In compliance with the SEBI Listing Regulations, a compliance certificate from M/s Vikas Gera & Associates, Company Secretaries, regarding compliance of conditions of Corporate Governance is annexed to this Report.

(g) 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

(h) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which Statutory Auditor is a part

The total fees paid by the Company to NSBP & Co., Chartered Accountants, the Statutory Auditors of the Company, during the year was ₹20.00 Lakh.

(i) Unclaimed Suspense Account

As per the provisions of Regulation 39(4) of the SEBI Listing Regulations and SEBI circular SEBI/HO/MIRD/MIRDS_RTAMB/P/CIR/2022/8 dated January 22, 2025, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in 'Unclaimed Suspense Account' of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares. All corporate benefits accruing on these shares like bonus, split etc., if any, are also credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares remain frozen until the rightful owner has claimed the shares.

Shareholders who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with PIN code, self-attested copies of PAN card & proof of address, and for delivery of shares in demat form - a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the unclaimed suspense account is given below:

S. No.	Status at the beginning of the year		Status during the year		Status at the end of the year	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares	Number of shareholders	Number of shares
1.	0	0	1	1865	1	1865

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt.
Tamilnadu

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dalmia Bharat Sugar and Industries Limited having CIN: L15100TN1951PLC000640 and having registered office at Dalmiapuram, Tiruchirapalli Distt., Tamilnadu (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2023 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 Vikas Gera & Associates
Company Secretaries

Vikas Gera
C. P. No. 4500
M. No. F5248

Dated: May 19, 2023
Place: Delhi
UDIN – F005248E000301533

Declaration

It is hereby declared, in terms of Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, that the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company.

Dated: May 19, 2023
Place: New Delhi

Bharat Bhushan Mehta
Whole Time Director & CEO
DIN: 00006890

To,
The Board of Directors
Dalmia Bharat Sugar and Industries Limited
Sub: - Compliance Certificate.

Dear Sir(s)/ Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
    a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:
    a) that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2023;
    b) that there are no significant changes in accounting policies during the financial year ended March 31, 2023; 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

Sd/-
Anil Kataria
(Chief Financial Officer)
PAN: AALPK4889N

Sd/-
Bharat Bhushan Mehta
(Whole-time Director & CEO)
DIN:00006890

Dated: May 19, 2023
Place: New Delhi

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 2023, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Vikas Gera & Associates
Company Secretaries

Sd/-
Vikas Gera
(Vikas Gera)
M.No. – F5248
CP- 4500
UDIN: F005248E000301500

Dated: May 19, 2023
Place: New Delhi

Management discussion and analysis

Global economy

Overview: Post Pandemic the global economy was estimated to have grown at a slower 3.2% rate in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to $55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity – these fell 15% to $36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI (benchmark for commodity investments and a measure of global commodity performance) fell from a peak of 4288 in June 2022 to 3233.4. There was a sharp decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States: Reported GDP decline of 2.1% compared to 5.9% in 2021

China: GDP growth is expected to contract from 8% in 2021 to 3% in 2022.

United Kingdom: GDP is expected to grow 4.1% in 2022 compared to 7.6% in 2021

Japan: Reported growth of 1.7% in 2022 compared to 1.6% in 2021

Germany: Reported GDP growth of 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

Outlook: The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India reported an estimated economic growth of 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India had retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 6% higher rainfall than the long-period average. India's wheat harvest was expected to rise to around 107 million metric tons (MMT) in 2022-23 from 102 MMT in the preceding year. Rice production at 122 million metric tons (MMT) was down 6 percent due to unseasonal rains. Pulses acreage grew 5 percent to 154.80 lakh hectares following better monsoon rains. Due to a renewed focus, the oilseed area increased by 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23. India's wheat production in crop year 2022-23 is expected to be 102.9 million tonnes (mt), less than the government's estimate of 112 mt.

India's auto industry grew 21% in FY23; passenger vehicles (UVs, cars and vans) reported impressive growth with retail sales hitting a record high of 3.9 million units in FY23, crossing the previous high of 3.2 million units in FY19. Commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

India's exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 percent over the same period of the previous year. As India's domestic demand remained steady amidst a global slowdown, imports in April-February 2022-23 were estimated to have grown 19.93 percent over the corresponding period of the previous year. India's exports in FY2021-22 were $676 billion and likely to achieve a record $750 bn in FY23.

Till Q3, FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP from $22.2 billion (2.7% of GDP) a year ago. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023.

India's headline foreign direct investment (FDI) numbers rose from US$74.01 billion in 2021 to a record $84.8 billion in 2021-22, a 14% Y-o-Y increase due to 100% FDI approval via automatic route in the Insurance sector, civil aviation, coal sector, telecom, pharma, infrastructure. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 crore against a target of ₹65,000 crore).

After three consecutive years of rise, India's foreign exchange reserves declined by around $ 70 billion in 2022 amid rising inflation and interest rates. The country's forex reserves, which stood at $606.47 billion on 1 April 2022, declined to $578.44 billion on March 31, 2023. India's currency weakened from ₹75.91 to a US dollar to ₹82.34 as on 31 March 2023 due to a stronger dollar and weaker current account deficit.

The country's retail inflation, measured by the consumer price index (CPI), accelerated to 5.66% in March 2023. Inflation data on the wholesale Price Index (which calculates the overall prices of goods before selling at retail prices) eased to 4.73% during the period. In 2022, CPI hit its highest of 7.79% in April 2022; WPI reached its highest of 15.88% in May 2022.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was ₹18.10 lakh crore, an average of ₹1.51 lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 lakh crore.

For 2022–23, the government collected ₹16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount is 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of $2500 when consumption spikes across countries.

Outlook: India is expected to grow 6.8% in FY2024, catalysed in no small measure by 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficits. Headline and core inflation rates could trend down. Private sector investments could revive.

According to the World Bank April 2024 projections, India's GDP is projected to expand by 6.3 percent in FY24, supported by domestic demand and increased public investment. India's retail inflation rate could decline from 6.6 percent to 5.2 percent in FY24.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing their highest inflation in 40 years.

India's production-linked incentive appeared to catalyse downstream sectors. Inflation was steady. India was at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India was poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade.

The outlook for private business investment remained positive despite an increase in interest rates. India was less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers. As a result, export growth was only about 13.81%YoY, quite significant decline from the the 20% in the Korean, Taiwanese and Singapore economies.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The protracted geopolitical tensions, tightening global financial conditions and slowing external demand are the downside risks.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy through projects like PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. The capital expenditure of the Indian government expanded 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly ₹20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for the national highways network. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors.

Industry overview

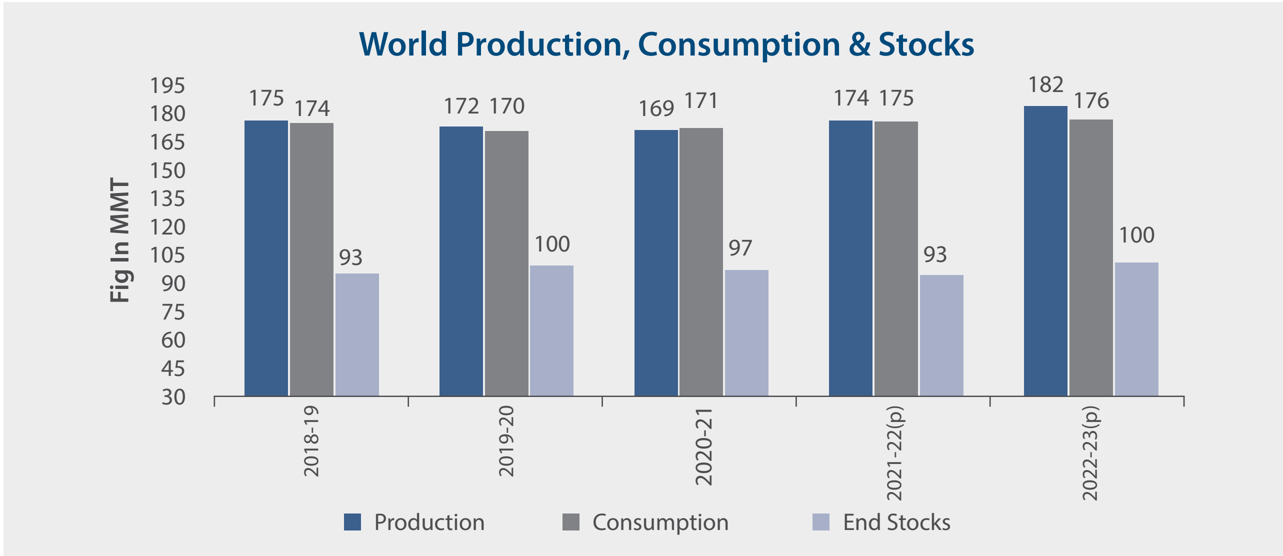
Global sugar sector overview

According to International Sugar Organisation, the second revision of the global 2022-23 sugar balance is expected to report a surplus of 4.151 million tonnes compared to a deficit of 2.247 million tonnes in 2021-22. The global sugar production is pegged at 180.431 million tonnes in 2022-23 while global sugar consumption is placed at 176.280 million tonnes.

Trade dynamics are the major factors influencing market price outlook. The harvests in the southern hemisphere extended beyond their normal finishing dates, providing additional supply to the 2022-23 balance. Besides, growing global exports resulted in a shorter than expected impact on global trade flows.

The Indian government's hesitation to commit to additional export licensing in 2022-23 moderated export prospects. Global export availability during the 2022-23 season was estimated at 64.55 million tonnes, while import demand increased to 63.863 million tonnes. The trade surplus for 2022-23 sugar season stood at 0.7 million tonnes compared to a surplus of 0.4 million tonnes in 2021-22 sugar season. Changes in global stocks will balance the difference between production/ consumption surplus and trade balance. In 2022-23, International Sugar Organisation estimates global stocks could rise to 103.4 million tonnes from 99.92 million tonnes at the beginning of the season. By implication, the ending stocks/consumption ratio for 2022-23 increased to 58.65% from 57.17% at the end of 2021-22.

A major importer like China is expected to draw down its stocks to meet its domestic consumption needs instead of importing; while India's reduced production levels are anticipated to lower its stocks and Thailand is expected to decrease its stocks to support higher exports driven by strong global demand.



(Source: International Sugar Organization)

Overview of key sugar manufacturing geographies

Brazil: Production is expected to increase by 2.6 million tons to 38.1 million as favorable weather conditions are anticipated to result in higher cane availability for crushing. However, the total harvested area is expected to decline as marginal sugarcane areas switch to soybeans and corn. Consumption levels are expected to remain the same while exports are projected to rise due to higher supplies. Additionally, stocks are estimated to double with the increase in production.

China: Production of sugar is expected to increase by 400,000 tons to reach 10.0 million driven by higher production levels of both cane sugar and beet sugar. Assuming that COVID-related restrictions ease, consumption levels are projected to rise. However, imports are expected to decrease due to high global sugar prices as stockpiling is encouraged instead.

USA: Production is projected to remain steady at 8.2 million tons. Meanwhile, sugar imports are expected to decline by 6 per cent to 3.1 million tons, based on projected quota programs set at minimum levels that are consistent with World Trade Organization and free-trade agreement obligations as well as on anticipated imports from Mexico, re-exports and high-tier tariff imports.

Thailand: Sugar production is forecast to increase by 0.34 million tons to reach 10.5 million tons, while consumption is expected to rise in line with the anticipated economic recovery. Additionally, exports are expected to increase due to larger exportable supplies. However, stocks are projected to drop sharply following strong exports.

(Source: fas.usda.gov)

Global sugar price trend

Global sugar prices have experienced a significant rally from a low of 17.05 cents/pound in 31st October 2022 to 21.85 cents/pound in 31st March 2023.

According to the International Sugar Organisation (ISO), the ISO white sugar price index stood at 28.34 cents/pound as on 31st March 2023 compared to 23.09 cents/pound on 31st October 2022. (Source: ISO)

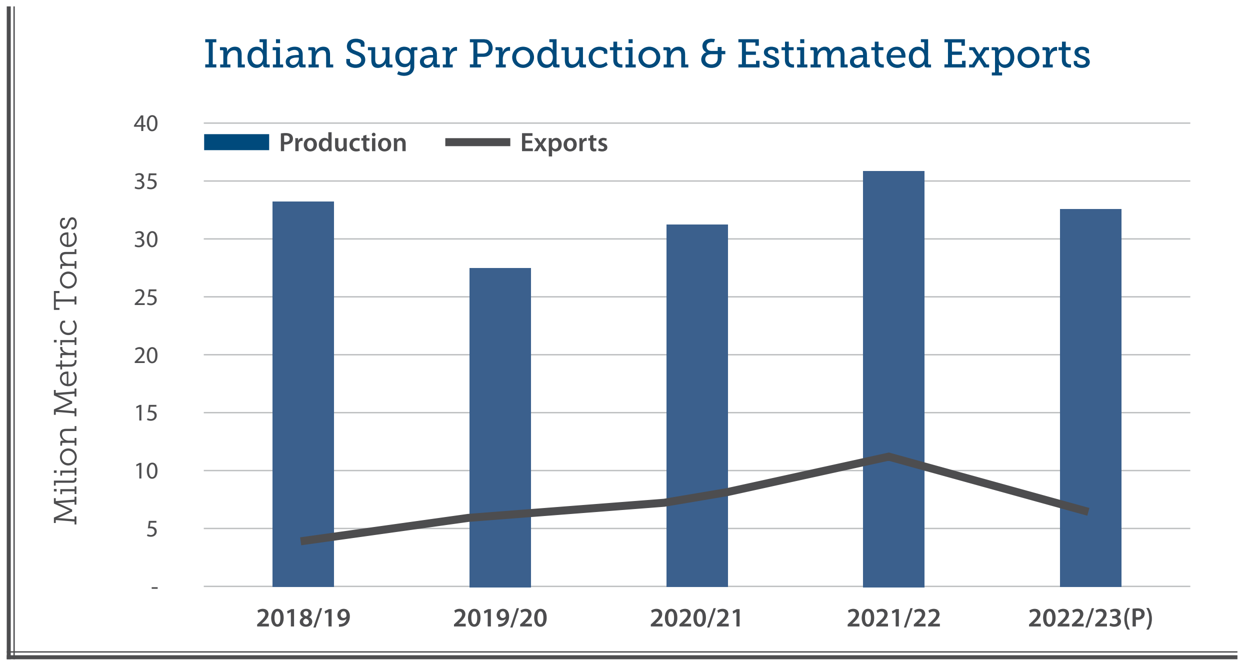
Indian sugar sector overview

The Indian sugar sector is a significant contributor in the country's agro-based economy. India is the world's second largest producer of sugar after Brazil and accounts for around 20% of the global production. The sector provides direct employment to more than 50 million people including farmers, mill workers and transporters. India's sugar industry operates in the organized and unorganized sectors. The organized sector comprises sugar factories that process sugarcane into refined sugar and by-products like molasses, bagasse and press mud. The unorganized sector includes traditional produce like gur (jaggery) and khandsari (semi processed sugar). Sugarcane is the primary raw material for sugar production in India; the country has among the largest global areas under sugarcane cultivation. Uttar Pradesh, Maharashtra and Karnataka are the top sugarcane producing states in India.

In Sugar Season (SS) 2022-23, Indian sugar mills are expected to produce around 32.80 million metric tons of sugar. Around 532 sugar mills operated in 2022-23 compared to 518 operational mills during the previous season. India produced 35.8 million metric tons of milled sugar during the 2021-22 SS. Sugar consumption is expected to remain at the same level whereas sugar exports are expected to drop to 6.2 million metric tonnes. This is expected to tighten the net sugar Balance Sheet with expected closing stock levels at around 6.1 million metric tonne as against an opening stock of 7.0 million metric tonnes.

Unseasonal rains and a higher portion of ratoon cane in key production areas like Maharashtra and Karnataka resulted in drastically lowered agricultural yields, mainly in the Marathwada region. These regions reported a drop in sugar yields as high as 35% from the previous season. With a slightly higher diversion of juice, a drop down of 44 bps in recovery is expected from Maharashtra.

India's sugar consumption is likely to touch 27.5 million metric tonnes in SS 2022-23 which is slightly higher than the previous year. (Source: fas.usda.gov, Economic times)



Sugar opening stock, production, consumption and closing stock in India over the years (in million tonnes)

Particulars	2018-19	2019-20	2020-21	2021-22(P)	2022 -23(P)
Opening stock as on 1st Oct.	10.7	14.6	10.7	8.2	7.0*
Production during the season	33.2	27.4	31.2	35.8	32.8
Imports	0	0	0	0	0
Total availability	**43.9**	**42.0**	**41.9**	**44.0**	**39.8**
Off-take:					
I) Internal consumption	25.5	25.3	26.6	27.3	27.5
ii)Exports	3.8	6.0	7.2	11.1	6.2
Total off take	**29.3**	**31.3**	**33.7**	**38.4**	**33.7**
Closing stock as on 30th Sept.	**14.6**	**10.7**	**8.2**	**5.6**	**6.1**
Stock as % of internal consumption	**57%**	**42%**	**31%**	**20%**	**22%**
Sugar diverted to ethanol	**0.2**	**0.7**	**2.1**	**3.6**	**4.5**

** As per DFPD announcement* *(Source: ISMA)*

Indian cane cost trends

The Fair and Remunerative Price (FRP) is the price that mills are required by law to pay sugarcane farmers for their crops. For the sugar season in India (October 2022 - September 2023), the government has increased the Fair and Remunerative Price (FRP) for sugarcane to ₹3050 per metric tonne (USD $38.3/MT), which is ₹150 per MT higher than the 2021-22 season.

To protect the interests of sugarcane farmers, the government has decided that there will be no deduction in payment for farmers whose sugarcane is processed in mills with a recovery rate below 9.5%.

(Source: economic times, times of india.indiatimes.com, pib.gov.in)

Sugarcane area, yield, prices and arrears

Year	India area*	Uttar Pradesh area	Maharashtra area	Karnataka area	All-India yield Tonnes/ hectare	FRP (Rs) ** Per quintal	SAP *** UP
2016-17	4,427	2,160	633	397	69	230	305
2017-18	4,737	2,234	962	370	80	255	315
2018-19	5,061	2,224	1,163	471	80	275	315
2019-20	4,603	2,208	822	429	80	275	315
2020-21	4,857	2,180	1,143	443	83	285	315
2021-22	5,590	2,310	1,350	590	84	290	340
2022-23	5,900	2,380	1,450	650	TBA	305	340

**In thousand hectares*

***Fair and Remunerative Price*

**** State Advisory Price*

[Source: Agricultural Statistics at a Glance, Directorate of Economics and Statistics, Ministry of Agriculture]

State-wise analysis

Uttar Pradesh: Sugarcane cultivation area in Uttar Pradesh increased by 3% to reach 23.8 lac hectares in 2022-23 SS compared to 23.1 lac hectares in 2021-22 SS. Agricultural yield of plant cane has improved as ratoon yield in western regions was down by 5-7% due to pest infestation. A drop in 35-40 bps in sucrose yield was reported in 2022-23 SS on account of a higher diversion of syrup and B-heavy towards ethanol production. The state's sugar output is expected to enhance slightly to 10.5 million tonnes in 2022-23 SS compared to 10.2 million tonnes in 2021-22 SS.

Maharashtra: Sugarcane acreage in Maharashtra increased by almost 7% to 14.5 lac hectares in 2022-23 SS compared to 13.5 lac hectares in 2021-22 SS. Despite this, Maharashtra's sugar output is expected to decline to 10.5 million tonnes in 2022-23 SS compared to 13.7 million tonnes in 2021-22 SS. Maharashtra reported a rise in acreage continuously in the last two seasons. Strikingly, ratoon percentage in some of the main cane producing zones like Ahmednagar and Marathwada was 65-70% of the total acreage. Unseasonal and un-even distribution of rains in the pre-monsoon and post-monsoon periods led to a decline in agricultural yields during 2022-23 SS. A slightly higher diversion of syrup and B-Heavy impacted overall drop down in net sugar output in the state.

Karnataka: Sugarcane acreage in Karnataka is expected to enhance by 11% to reach 6.5 lac hectares compared to 5.9 lac hectares in 2021-22. Northern Karnataka accounts for almost 80-85% of net cane weightage. Cane production in this region reduced significantly due to uneven rains. Further, enhanced crushing capacities in the state, reduced the length of the season and reportedly less matured cane got harvested resulting into lowered crush and recovery. During the last two-three seasons, several mills have enhanced their distillation capacities as well as installed new ones which resulted in further increase in diversion towards growing ethanol production. An overall decline in sugar output at levels of 5.7 million tonnes in 2022-23 SS is expected, compared to 6.2 million tonnes in 2021-22 SS. (Source: fas.usda.gov, ISMA, m.dailyhunt.in,)

Sectorial demand drivers

Population growth: India's population has grown from 555.2 million in 1970 to 1.41 billion in 2023 and is anticipated to reach 1.67 billion by 2050, catalysing sugar consumption

(Source: Indianexpress.com, Weforum.org)

Confectionary segment growth: In 2023, the confectionary segment in India generated revenues of US$ 43.97 billion and is expected to grow at a compound annual growth rate (CAGR) of 7.63% (2023-27). The bakery industry in India is anticipated to grow at a CAGR of 9.6% during 2023-28.

(Source: Statista.com, Expertmarketresearch.com,)

Robust soft drink consumption: In 2022, the sales volume of carbonated soft drinks is projected to reach around 5.5 billion litres, which is slightly more than 4 litres per capita per year. However, the trend is likely to drive the growth of sugar consumption.

(Source: Livemint.com, Business Today, Economic Times)

Government initiatives

In the sugar export policy for SS 2022-23, the government has implemented a system that assigns export quotas to sugar mills based on their average production in the last three years as well as the average sugar production of the country in the same time period. This policy is aimed at ensuring that the export of sugar is conducted in a fair and efficient manner, while also taking into account the overall production capacity of the country.

By assigning quotas based on production averages, the government is able to encourage efficient sugar production and export practices among the mills, while also preventing any one of the mill from dominating the export market and to promote healthy competition within the industry, which ultimately benefit both the mills and the consumers.

Overall, the sugar export policy for SS 2022-23 appears to be a well-thought-out system that takes into account the needs and concerns of all stakeholders involved in the sugar production and export process.

The government has set a goal to provide financial assistance to cover various marketing costs incurred by sugar mills. These costs include expenses related to handling, upgrading, and other operational aspects of the production process, as well as both international and domestic transportation costs.

(Source-pib.gov.in)

SWOT analysis of Indian sugar industry

Strengths

- India is the second largest sugar producer and ranked as the largest sugar consumer globally.
- Sugarcane is one of the most financially rewarding cash crops in India.
- The sugar industry in India plays a crucial role in boosting downstream sectors and the vast rural economy of the country.
- The Indian government recognizes the sugar industry as a local economic driver.
- The sugar sector in India also enhances the livelihoods of approximately 50 million sugarcane farmers and creates direct employment opportunities for around 500,000 workers.
- The increase in ethanol capacity aligns with the Indian government's policies aimed at achieving ethanol blending program targets.

Weaknesses

- Cane prices in India are significantly higher than global benchmarks.
- Many companies in the sugar industry continue to use outdated technology.
- Majority of mills in the sector suffer from a poor economic condition.

Opportunities

- The adoption of mechanized farming practices has the potential to significantly increase both yield and recovery in sugar production.
- India's per capita sugar consumption is lower than the global average, standing at 19 kgs as compared to the average of 23 kgs.
- The government's mandatory ethanol blending program is acting as a catalyst for the growth of ethanol production in India.
- Advancements in technology can facilitate the greater utilization of by-products in the sugar production process.
- Countries such as Saudi Arabia, Bangladesh, Indonesia and Iran can benefit from sugar export opportunities and favourable freight advantages.

Threats

- Climate change affects sugar crop and yield.
- Political agendas impact the sugar industry.
- The industry is more reliant on monsoon water.
- Limited infrastructure makes cane farming vulnerable to weather changes.
- Sugar-based products are criticized for contributing to obesity.

Indian ethanol sector overview

The government's ethanol program promotes the use of ethanol as a fuel for transportation and reducing the country's dependence on imported crude oil. The program was launched in 2003 and Since then, the government has taken several steps to promote the production and use of ethanol. India is projected to become the world's third-largest ethanol market after US and Brazil by 2026 as per the International Energy Agency report.

The Indian ethanol program has several benefits. One, it reduces the country's dependence on imported crude oil. Second, it helps reduce air pollution by reducing emissions from vehicles. Third, it provides an additional source of income for farmers who can sell their sugarcane or other crops for ethanol production. In India, the practice of blending ethanol with petrol has significantly benefited the sugar industry by reducing its cyclical nature.

The Indian government's target for blending ethanol with petrol has been revised upwards. The current target requires the country to achieve a 20% ethanol blending ratio by 2025 from the 10.02% achieved in ESY 2021-22. To achieve these targets, the government has implemented a range of measures to promote the production and use of ethanol in India. These measures include:

- Pricing and fiscal incentives to encourage the production of ethanol from sugarcane, corn and other feedstocks
- Mandating the use of a minimum percentage of ethanol in petrol
- Establishing a national biofuels policy to provide a framework for the development of the biofuels industry in India.
- Encouraged the use of other feedstocks such as rice, corn and biomass for ethanol production
- Providing subsidies and financial incentives for the installation of ethanol production capacities.

The country achieved 10.02% ethanol blending in ESY 2021-2022, five months ahead of schedule and is expected to achieve 12% blending in ESY 2022-23. Starting from April 1, 2023, all passenger vehicles produced in India will need to comply with E20 standards, they can run on a 20% ethanol blend which is expected to help India achieve the goal of using a 20% ethanol blend by 2025.

India's fuel ethanol program is currently the fastest growing ethanol program in the world. The government's push towards the increasing use of renewable fuels, coupled with the country's abundant sugarcane and grain resources has resulted in a significant increase in ethanol production in recent years. The government implemented the Indian Biofuel policy to promote the production and use of biofuels in the country. The policy was first announced in 2009 and was subsequently updated in 2018 with the objective of reducing India's dependence on imported fossil fuels, improving energy security and promoting sustainable development. The policy encourages investment in research and development to improve the efficiency of biofuel production processes and to develop new feedstocks and technologies for biofuel production. The policy provides for the establishment of biofuel corridors and biofuel hubs to promote the distribution and use of biofuels. The policy emphasizes the importance of sustainability in the production, use of biofuels and set standards for feedstock, production processes and greenhouse gas emissions.

The government has announced an increase in ethanol procurement prices for the marketing year starting from 1st December 2022 to 31st October 2023. The increase in prices varies for different types of ethanol. The procurement price for ethanol manufactured from C-heavy molasses has been increased by 5.9%, from ₹46.66 to ₹49.41 per litre. The procurement price for ethanol manufactured from B-heavy molasses has been increased by 2.8%, from ₹59.08 to ₹60.73 per litre. The procurement price for ethanol manufactured from cane juice has been increased by 3.4%, from ₹63.45 to ₹65.61 per litre.

India has set an ambitious target to increase its ethanol production capacity to around 15 billion litres, which will require substantial capacities to be installed. Many sugar companies have already set up dual-feed ethanol plants that use corn and grains along with sugarcane and molasses to increase production. The Indian ethanol program has been successful in promoting the use of ethanol as a fuel additive with ethanol blending rates steadily increasing. However, there are still challenges to be addressed related to the availability of feedstock, storage infrastructure, distribution of ethanol and investments in research and development.

It is expected that ethanol production capacity will reach around 12 billion litres by 2025, which is a significant increase from the current levels. The sugar mills and distilleries are free to establish ethanol plants after obtaining statutory clearances. The government has already notified an interest subvention scheme to help in the establishment of these plants.

(Source: Gktoday.in, International sugar journal.com, ISMA, The Hindu, Mint, Economic Times, Business Standard, Fas.usda.gov)

Ethanol Feedstock (Rs/ltr)	2018-19	2019-20	2020-21	2021-22	2022-23
Sugarcane Juice/Syrup/Sugar	59.19	59.48	62.65	63.45	65.61
B-Heavy Molasses	52.43	54.27	57.61	59.08	60.73
C-Heavy Molasses	43.46	43.75	45.69	46.66	49.41

ESY	Supplied Ethanol Qty	Blending Percentage
2015-16	111	3.51%
2016-17	67	2.07%
2017-18	151	4.22%
2018-19	189	5%
2019-20	172	5%
2020-21	303	8.10%
2021-22	408	10.02%

Indian co-generation sector overview

The crushing of sugarcane results in the production of bagasse, which can be used for power cogeneration. By utilizing bagasse efficiently, along with minimizing transmission and distribution losses, the energy source offers several benefits, including zero carbon emissions, lower fuel costs, fuel diversity and enhanced energy security. Overall, it represents a cleaner alternative to traditional energy sources. With the growing awareness of quality, sugar manufacturers anticipate significant growth in the domestic market for refined sugar.

In November 2022, the Ministry of New and Renewable Energy announced the National Bioenergy Program with a budget of ₹1715 crore for the period from 01.04.2021 to 31.03.2026. India has an installed capacity of 10,232 MW for biomass power, bagasse cogeneration and non-bagasse cogeneration plants. The states of Maharashtra and Uttar Pradesh together account for almost 45% of the total installed capacity.

(Source: MNRE, Business world, Ijert, Crespai, pib.gov.in)

DBSIL's sugar business

Overview

The company has done a tremendous shift towards ethanol segment by increasing the sugar diversion This move has resulted in to making the business model relatively stable instead of cyclical.

With lower expected production during the year, we expect the sugar prices and business dynamics to remain stable in short run.

Strengths

- The company is still the only private sector sugar manufacturer from Uttar Pradesh that operates in Maharashtra.
- The company has become one of the largest and fastest-growing sugar manufacturers in India over the past decade.
- The company has been highly focused on improving operational efficiency, which is evident from its consistently higher sugar recovery rates.
- To improve its efficiency and produce higher quality sugar, the company has been working with an early-harvesting mix that accounts for 95% in U.P.
- Balanced approach of expansion and fund deployment.
- Most aggressive sugar diversion policy of the company.
- Early augmentation of grain ethanol capacities.
- Shift to other varieties in a planned manner.
- Continued improvements in balance sheet fundamentals.

Challenges: Despite persistent pressure on sugar stock levels, the government's proactive policies on export the ethanol blending programme have helped to manage the situation for the economy as a whole.

Outlook FY 2023-24

The outlook for the FY2023-24 seems stable due to consistant sugar diversion towards ethanol , grain capacity coming in and investment in steam saving devices. There will be less pressure on stock levels and the company can expect improved profitability and realizations.

DBSIL's distillery business

Overview

The company increased its distillery production to 17.08 Crores Litres from 11.71 Crores Litres in the FY 2022-23. The allotment of the ethanol tender quantity for the Ethanol Year 22-23 was 15.04 Crores litres, compared to the previous year's 11.60 Crores litres. With its current expanded capacity, the company is expected to sell around 17.23 Crores litres of Ethanol/ENA annually.

Strengths

- The distilleries operated at almost full capacity utilization.
- The Company had the ability to manufacture multiple types of alcohol, including ethanol, rectified spirit, and extra-neutral alcohol.
- All of the Company's plants were equipped with contemporary technologies to enhance operational efficiency and achieve zero liquid discharge.
- The availability of high-quality molasses contributed to the improvement of ethanol recovery.

Challenges: With higher cost of production due to cane price rises, ethanol prices need to be significantly increased to make it viable for new capacities to come in and existing capacities to operate at current levels.

Outlook, FY 2023-24

- Jawaharpur grain capacity to be expanded to 250 KLPD
- Nigohi grain capacity of 300 KL in progress.
- The distillery has turned into a full-fledged segment instead of being just a by-product processing unit.

DBSIL's cogeneration business

Strengths

- The Company's power requirement is met entirely by its co-generation plant, which has sufficient capacity to meet 100% of its power needs.
- High efficiency boilers at all the plants.

Challenges:

The cogeneration segment faces a significant challenge due to reduced power tariffs in Uttar Pradesh, which are still not sufficient to operate during the off season. Consequently, the Company needs to sell excess bagasse outside Uttar Pradesh. Another major threat to the cogeneration segment is the potential decrease in power tariffs in Maharashtra.

Outlook, FY 2023-24

The upcoming year's outlook remains largely unchanged.

Financial overview

Key performance metrics

Parameters	FY 2022-23	FY 2021-22
Total revenue (₹ crore)	3328	3071
EBIDTA (₹ crore)	512	507
PBT (₹ crore)	356	380
PAT (₹ crore)	250	295
Earnings per share (H)	30.9	36.5

Analysis of the Profit & Loss statement

Revenues

The Company's total revenues stood Rs.3328 crore as against ₹3071 Crore in the previous year on account of higher exports at very attractive prices and higher distillery sales volume due to expanded capacity and higher sugar diversion into ethanol.

Expenses

The Company's total expenses decreased from gap between ₹2974 crore in FY 2021-22 to ₹2672 crore in FY 2022-23 mainly on account of higher liquidation of inventory, higher depreciation due to a high capitalization and comparatively higher fixed costs.

Employees' expenses, comprising 5.63 % of the total revenues, increased by 13.33 % from ₹165 crore in FY 2021-22 to ₹187 crore in FY 2022-23 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 14.67 % from ₹2359 crore as on 31st March 2022 to Rs2705 crore as on 31st March 2023. The Company's equity share capital, comprising 16.19 crore equity shares of ₹2 each, remained unchanged during the year under review.

Long-term debt: Long-term debt of the Company increased 1 % from ₹396 crores as on 31st March 2022 to ₹402 crores as at 31st March 2023 due to setting up grain distillery plant. Long-term debt-equity ratio of the Company stood at 0.15 in FY 2022-23 compared to 0.17 in FY 2021-22.

Finance cost: Finance cost of the company remained more or less similar to last year. The Company's interest cover stood at a comfortable 23 times in FY 2022-23(17 times in FY 2021-22), reflecting a comfort in servicing interest.

Application of funds

Fixed assets (gross) of the Company increased from ₹2563 crores as on 31st March 2022 to ₹2804 crore as on 31st March 2023 mainly due to setting up of JWP grain distillery and RMG & Ninaidevi sugar capacity expansion.

Investments

Non-current investments of the Company increased from ₹490 crore as on 31st March 2022 to ₹636 crore as on 31st March 2023 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 1666 crores as on 31st March 2022 to ₹1400 crore as on 31st March 2023. Current Ratio stood at 2.73 in FY 2022-23 compared to 1.84 in FY 2021-22. Inventories, including raw materials, work-in-progress and finished goods, among others, decreased from ₹1236 crores as on 31st March 2022 to Rs1037 crore as on 31st March 2023, a down of 16%.

Cash and bank balances of the Company decreased from ₹104 crore as on 31st March 2022 to ₹69 crore as on 31st March 2023.

Margins

A strong cost control helped the Company in reporting better margins during the year under review. The EBITDA margin of the Company reduced from 16 % in FY 2021-22 to 15% in FY 2022-23 while net profit margin also reduced due to one time gains in the last year.

Key financial ratios

Parameters	FY 2022-23	FY 2021-22
PAT to turnover ratio %	8%	10%
EBIDTA to turnover ratio %	15%	16%
Interest service coverage ratio (Times)	23	17
Total Debt-equity ratio (Times)	0.17	0.35
Current ratio (Times)	2.73	1.85
ROCE %	13%	15%

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 Resources

According to the company's beliefs, human capital is the most crucial asset in achieving sustainable growth. The company prioritizes the well-being of its employees and provides a supportive and open environment for their personal and professional development. The company aims to create a joyful working atmosphere, which, in turn, enhances the productivity and efficiency of its employees.

DBSIL conducts various employee engagement activities, including workshops, events, festival celebrations, and outbounds, to promote the Company's cultural philosophy. The Company is dedicated to keeping its employees engaged and enhancing their skills through continuous learning opportunities. A bottom-up approach is adopted in training, wherein unit-specific training and skill development needs are identified. 'Nalanda', a team at the Dalmia Group level, identifies the learning needs of employees and helps design learning programs. The Company frequently conducts training and awareness programs to ensure that employees are aware of policies, code of conduct, whistle-blower mechanism, safety approach, and other relevant topics.

DBSIL considers the health and safety of its employees to be of utmost importance and endeavors to cultivate a "Zero accident" culture in its plants. The company strives to establish organizational capability for implementing a "safety-first" approach. Third-party safety audits are periodically conducted, and the recommendations are implemented. DBSIL's human relations and compliance department collaborates with its units to ensure that no human rights violations occur. Any violation is dealt with severely, and discrimination based on any grounds is not tolerated. The employees are encouraged to behave in accordance with the company's Code of Conduct.

Risks and concerns

DBSIL follows a structured mechanism for identifying, mapping, assessing, controlling, reviewing, aligning, and ultimately mitigating risks. This approach provides a better understanding of risks and associated controls, enabling the company to evaluate and prepare for situations more effectively. The identified risks and corresponding mitigation methodologies are as follows:

Risk	Mitigation / Plan
Political & economical risks *Sugar price reduction *Cane price increase *Power tariff reduction	Although these risks are uncontrollable, the Government has implemented several positive reforms such as the fixation of Minimum Support Price (MSP), monthly sales quotas, and aggressive blending of ethanol. These measures have been a game changer for the industry and enabled it to move away from a purely cyclical commodity industry to more stable revenue streams.
Operational risks *Cane availability *Sugar recovery% *Breakdown of machinery	• The risk of sugar price reduction has been mitigated to a great extent through measures such as ideal varietal composition, cane development activities, reduction in process losses and real-time benchmarking with peers. • The risk of equipment failure has been mitigated through an all-risk insurance policy and by maintaining an adequate inventory of insurance spares.
The main cane variety which accounts for more than 90% of the total cane is prone to red rot infection.	• Shifting to other best varieties under Project Parivartan. • Imparting knowledge to farmers to convince them to switch. • Providing incentives to farmers to promote the cultivation of disease-resistant varieties. • More impetus on varietal development and other cane development activities to develop more resistant varieties.
Water conservation: Sugar cane is a water-intensive crop with a significant dependence on groundwater.	• Ground water recharges through the construction of ponds and recharge wells. • Promoting water conservation through drip irrigation systems. • Treating waste water and using it for irrigation purposes.
Soil health is maintained and improved through soil management practices to enhance soil fertility.	• Providing soil health cards to farmers for optimum fertilizer usage. • Promoting intercropping and the use of organic fertilizers to maintain soil health. • Conducting knowledge sharing sessions with farmers to educate them about soil health management techniques.
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 risk of non-compliance or delayed compliance is minimized by the Company through maintaining a robust tracker of all compliances and monitoring them through monthly reviews.

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.

Business Responsibility & Sustainability Report

Section A : GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the listed entity	L15100TN1951PLC000640
2	Name of the listed entity	Dalmia Bharat Sugar and Industries Limited
3	Year of incorporation	1951
4	Registered office address	Dalmiapuram, District Tiruchirapalli, Tamil Nadu – 621651
5	Corporate address	11th & 12th Floor, Hansalaya building, 15, Barakhamba Road, New Delhi – 110001
6	E-mail	Sec.corp@dalmiasugar.com
7	Telephone	011-23465100
8	Website	www.dalmiasugar.com
9	Financial year for which reporting is being done	2022-2023
10	Name of the stock exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up capital	₹16.19 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Aashhima V Khanna - 011-23465100 Sec.corp@dalmiasugar.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Description of the main activity	Description of the business activity	% Turnover of the entity
Manufacturing	Food, beverages and tobacco products	64%
Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	31%

15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

Product/service	NIC code	% of total turnover contributed
Sugar	10721	64%
Industrial alcohol	11011	31%
Power	35106	4%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

The Company's headquarters are in Delhi and manufacturing facilities are situated in the States of Uttar Pradesh and Maharashtra. Dalmia Bharat Sugar is amongst the handful sugar companies with sugar operations in these two non-contiguous states in India.

Location	Number of plants	Number of offices
National	5	8
International	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (Number of States)	Pan-India with major markets being Uttar Pradesh, Maharashtra and the Eastern States
International (Number of countries)	Middle East, SAARC and Mediterranean countries including Indonesia, Malaysia, Bangladesh, China, Sri Lanka, Nepal, Bhutan, Middle East, North Africa and East Africa etc.

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

Sugar exports contributed to 32% of the Company's total turnover.

c. A brief on types of customers

The Company is a preferred sugar supplier to brand-enhancing institutional giants such as Hindustan Unilever, Coca-Cola, PepsiCo, Mondelez, Monginis, Perfetti, Britannia, Walmart India, Dabur, D-Mart, India Glycols, Radico Khaitan, United Breweries, Carlsberg, SABMiller, and others in the alcohol industry. The Company is turning its wholesale business towards the retail segment, selling products in various platforms including Blinkit, Big Basket, Flipkart and Indiamart. The Company markets specialty sugar (brown, white, coffee and icing sugar) packets of 500 gm, 1 kg, 2 kg, and 5 kg sugar sachets under the Dalmia Utsav brand.

The Company sells power to the Uttar Pradesh and Maharashtra grid and ethanol to Oil Marketing Companies.

IV. Employees

18. Details as at the end of Financial Year: 2022-23

a. Employees and workers (including differently abled):

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent (D)	549	536	97.6%	13	2.4%
Other than permanent (E)	0	0	0%	0	0%
Total employees (D+E)	**549**	**536**	**97.6%**	**13**	**2.4%**
Workers					
Permanent (F)	1816	1806	99.4%	10	0.6%
Other than permanent (G)	1114	1074	96.4%	40	3.6%
Total employees (F+G)	**2930**	**2880**	**98.3%**	**50**	**1.7%**

b. Differently abled employees and workers:

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees					
Permanent (D)	0	0	0%	0	0%
Other than permanent (E)	0	0	0%	0	0%
Total differently abled employees (D+E)	**0**	**0**	**0%**	**0**	**0%**
Differently abled workers					
Permanent (F)	4	4	100.0%	0	0.0%
Other than permanent (G)	0	0	0.0%	0	0.0%
Total differently abled employees (F+G)	**4**	**4**	**100%**	**0**	**0**

19. Participation/inclusion/representation of women

Particulars	Total (A)	Number and percentage of females	
		No. (B)	% (B/A)
Board of Directors	6	1	17%
Key Management Personnel (other than Managing Director and Whole Time Director)	2	1	50%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY_2022-23 (Turnover rate in current FY)			FY_2021-22 (Turnover rate in previous FY)			FY_2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	9.5%	30.8%	6.7%	11%	25%	11.1%	14%	0%	14%
Permanent workers	3.2%	0%	2.1%	4%	0%	4%	4.6%	25%	4.7%

V. Holding, subsidiary and associate companies (including joint ventures)

21. a. Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary /associate/ companies /joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
None			

VI.CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (in Rs.) – Rs.3328 cr

(iii) Net worth (in Rs.) –₹2704 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2022- 2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes for all stakeholders. Link: https://www.dalmiasugar.com/wp-content/themes/Sugar/assets/policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf	182	0	-	143	0	-
Employees and workers		1	0	-	7	0	-
Customers		60	0	-	46	1	-
Value chain partners		7	0	-	-	-	-
Others (please specify)		1	0	Journalist	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Government policies	Risk	Changes in government policies at macro level effects the operations and profitability of the company.	Through representations via various forums like-IMSA, UPSMA, WISMA, Uttar Pradesh Cogen association etc.	Substantial Impact on profitability of the company.
Cane yield and recovery	Risk	Key lever for health of business operations having significant bearing on the performance coupled with unevenness observed in last 2-3 years.	Robust cane development plan and changes in the varietal mix.	Substantial Impact on profitability of the company.
Ethanol capacity	Opportunity	Special impetus of the government on ethanol blending	Not Applicable	Higher profitability along with the increased proportion of ethanol in its revenue mix.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

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

Disclosure Questions	P1 Ethics & Transparency	P2 Product Responsibility	P3 Human Resources	P4 Responsiveness to Stakeholders	P5 Respect for Human Rights	P6 Responsible Lending	P7 Public Policy Advocacy	P8 Inclusive Growth	P9 Customer Engagement
Policy and management processes									
1. a Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Policies that are not mandated under the Companies Act, 2013/SEBI Regulations are approved / reviewed by the Senior Management of the Company.								
c. Web Link of the Policies, if available	The policies have been uploaded on the website of the Company (www. dalmiasugar.com) in accordance with th provisions contained in the Companies Act, 2013 and Listing Regulations.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies are based on the "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business"								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	DBSIL is executing the strategy of becoming water positive and improve soil carbon content. Currently, half of the land in the Company's catchment area has low organic carbon content (< 0.5%). The Company aims to increase and maintain the soil organic carbon in medium range (0.5% - 0.75%) by 2030. The Company aims to increase the soil carbon content through recommended doses in organic manures / compost and intervention through animal husbandry programme for domestic animals. The Company plans to use green manure crops, undertake crop rotation, and eliminate the burning of crop residue. The water table in the Company's catchment area in Uttar Pradesh has depleted by 2 metres in ten years. To address this concern, the Company aims to become 10x water positive by 2025. The Company will work with 200,000 sugarcane cultivators in reducing their annual ground water consumption by 500 KL per hectare by 2030, with annual conservation potential of 25 billion litres. Soil carbon content and water are the two most critical elements for sustainable sugarcane cultivation. By addressing both critical elements, DBSIL is also ensuring sustainable livelihoods and income for farmers.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In FY 2022-23, with concentrated effort put up by Company, DBSIL has been able to achieve carbon content from <.5% to >.55%. With the saving in water consumption and recharge effort with pond/defunct borewell/recharge structure in water bodies, we nearly achieved target as 2X water positive with in very first year. Soil carbon content and water are the two most critical elements for sustainable sugarcane cultivation. By addressing both critical elements, DBSIL is also ensuring sustainable livelihoods and income for farmers.

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	DBSIL's sustainable development approach focuses on ESG parameters. As a testament to a commitment to the environment, the Company ensures responsibility and commitment towards the societal needs by creating, maintaining, and ensuring a safe and clean environment for sustainable development. The Company's mission is to ensure sustainable sugar production, which creates value for farmers, communities, and the business ecosystem. The Company's approach to sustainability is earmarked by efforts under water conservation, energy use reduction, resource efficiency, waste minimization, impacting lives and business responsibility. Keeping sustainability as the driving force, the Company has identified 34 material aspects categorized under the sustainability pillars of responsible consumption, responsible growth and business ethics, sustainable farming practices and people empowerment. The Company identified material topics under each pillar and derived short, medium, and long terms goals for each ensuring full ESG coverage. The Company's sustainability policy spells out the company's philosophy towards sustainability commitments and lays down an approach to manage environmental, social and governance aspects, guidelines, framework and mechanisms for effective planning, implementation and monitoring of sustainability initiatives. The Company identified ESG policy requirements and is working towards developing an ESG policy with a focus on sustainable sugarcane production that enhances value for farmers and communities while sustaining the ecosystem. The Company is also in the process of developing a continuous performance monitoring mechanism for all ESG aspects.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Bharat Bhushan Mehta, Whole Time Director and Chief Executive Officer
9.	Does the entity have a specifiedCommittee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. The business responsibility performance of the Company is assessed by Mr. Bharat Bhushan Mehta, Whole Time Director and Chief Executive Officer together with Mr. Pankaj Rastogi, Chief Executive Officer, sugar business. Overall performance is assessed annually by the Board. The targets related to environmental key performance indicators such as water reduction in operations, usage of alternative fuels and raw materials as well as the mitigation and management of climate change impacts are part of the key responsibility areas of the senior management.

10. Details of Review of NGRBCs by the Company

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	Whole Time Director & CEO and Business Responsibility Head
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board relevant committees reviews the Compliance with statutory requirements of relevance to the principles, and, need for rectification of any non-compliances on a quarterly basis.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C. PRINCIPLE-WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	P1, P2, P4 & P6	100%
Key Managerial Personnel	4	P1, P2, P4 & P6	100%
Employees other than BoD and KMPs	32	P3	69%
Workers	79	P3	54%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

MONETARY

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / Fine	Nil				
Settlement	Nil				
Compounding fee	Nil				

NON-MONETARY

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment	Nil			
Punishment	Nil			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

At DBSIL, 'responsible growth and business ethics' is a significant material aspect. The Company's corporate governance framework and philosophy originate from a responsibility to maximize stakeholder value. It is a continuous process that ensures enhancement in wealth-generating capacity and long-term success. The Company believes in a systems-driven performance. It believes that growth and efficiency are blended with governance and ethics. The Board of Directors, guided by the Mission statement, formulates strategies and policies focusing on value optimization for stakeholders (consumers, shareholders, and society at large).

At Dalmia Bharat Group, we have Code of Conduct and Guidelines including No Gift Guidelines applicable to all the employees in the form of "Dalmia Way of Life". Same is available on the intranet for all employees. The Company's employees work in accordance with the same. An ethics helpline number helps employees file complaints whenever they come across unethical behaviour. The reporter's anonymity is maintained; reports of the helpline are periodically sent to an Ethics Committee and Audit Committee.

The Code of Conduct for Directors and senior management, Whistle Blower Policy and Vigil Mechanism, Related Party Transactions Policy and Code of Conduct for Prevention of Insider Trading serve as a roadmap for Directors, employees and other stakeholders, wherever applicable. The Company has adequate control measures to address issues relating to ethics, bribery, and corruption. The statutory policies are available at https://www.dalmiasugar.com/investors/

5. **Number of Directors / KMPs /employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption**

	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of conflict of interest of the Key Management Persons	Nil	Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

Not Applicable

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL *		

** The Company is in B2B business; hence no awareness programs are organized.*

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has the code of conduct for the Board and Senior Management pursuant to Regulation 17(5) (a) of SEBI Listing Regulations.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	Current financial year	Previous financial year	Details of improvements in environmental and social impacts
R&D	100%	100%	Increase in sugarcane yield, sugar recovery, soil fertility and farmer's income.
Capex	100%	100%	The Ramgarh unit implemented steam saving schemes with to save overall fuel.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably? –

Almost 100% raw materials are procured sustainably. All plants are proximate to cane growing areas. A significant proportion of the cane is supplied by small and medium-scale farmers through bullock-driven carts, reducing pollution. The major raw material procured by the Company is sugarcane, which constitutes around 95% of the total input cost. Sugarcane is sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. -**

The Company is registered as brand owners with the Central Pollution Control Board (CPCB) under the Extended Producer's Responsibility (EPR) obligation as part of the compliance with Plastic Waste Management Rules. The Company engaged with two plastic waste reprocessing agencies authorized by CPCB for recycling of plastic waste during FY 2022-23.

All other wastes including e-waste, Hazardous waste and other waste was sold to Pollution Board authorised partners.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. –**

Extended Producer Responsibility is applicable on us and the action plan is derived on the basis of standard operating procedures provided by the Central Pollution Control Board (CPCB) .We are registered with CPCB as per the guidelines.The Company is in compliance with the requirements of Plastic waste Management Rules, 2016 and subsequent amendments thereto.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC code	Name of the product / service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link
During 2022-23, no LCA has been conducted. However, we have a plan to explore and carry out the LCA of our major products in future. We have engaged sectorial experts to carry out LCA for cane, our major raw material.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:-**

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

Since the products of the Company are agriculture based, there are no significant social or environmental concerns and/or risks arising from the production or disposal of the same.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).-**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current FY)	FY 2020-21 (Previous FY)
-	-	-

Almost 100% of the molasses generated through cane crushing operation is utilized to manufacture ethanol. Almost 100% of the bagasse, waste generated from sugar crushing operations, and spent wash, generated from distillery operations, are used as fuels for generating clean and green energy. Boiler ash generated from the incineration plants is converted into agro-input. Spent-wash is utilized to produce bio-compost (manure) of rich-nutrients for plants and recycled to maintain soil nutrition. The Company practices circularity in recycling bagasse, molasses, sugar condensates and treated wastewater in production (process as well as utility).

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23 (Current FY)			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (including packaging)	Taken care in Extended Producer Responsibility compliance.			72	0	142
E-waste	0	1	0.1	0	0.052	1.7
Hazardous waste (Used Oil)	2.4	6.7	1.2	1.2	0.0	0
Other waste	0	0	0	0	0	0

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category	
	FY 2022-23 (Current FY)	FY 2020-21 (Previous FY)
Reprocessed sugar MT	1268	1317
Reprocessed sugar %	0.15%	0.21%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	536	536	100	536	100	0	0	536	100	0	0
Female	13	13	100	13	100	13	100		0	13	100
Total	549	549	100	549	100	13	2	536	98	0	0
Other than permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1806	506	28	1805	100		0	0	0	Not applicable	Not applicable
Female	10		0	9	90	10	100	0	0		
Total	1816	506	28	1814	100	10	1	0	0		
Other than permanent employees											
Male	1074	0	0	954	89		0		0	Not applicable	Not applicable
Female	40	0	0	7	18	40	100		0		
Total	1114	0	0	961	86	40	4	0	0		

2. **Details of retirement benefits, for the current financial year and previous financial year.**

Benefits	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	0	0	Y	0	0	Y
Others - Please Specify	None	-	-	None	-	-

The Company, being in Sugar Industry, is not covered under ESI Act.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company ensures diversity in the workplace, provides equal opportunity and fair treatment to all employees including eligible applicants for employment without any bias towards caste, creed, religion, origin, gender, marital status, age, and nationality - starting from recruitment to closure of full and final settlement. All decisions with respect to employee acquisition, learning and development, promotion, compensation and benefits, transfer and termination are objective and based on facts. These guidelines are internal and not uploaded on the website. However, these guidelines do not specifically provide for persons with disabilities.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent workers	**Yes. We have Union in Uttar Pradesh Units and Works committee in Maharshtra Units**
Other than permanent workers	Union and Works committee develops the measures for securing and preserving amity and good relations between the management and workers, looks after the matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters. Further, to provide a platform to all stakeholders to voice genuine concerns about any breach of the Code of Conduct or the Company's guidelines or values, we have Whistle Blower Policy and Vigil Mechanism. The platform ensures that all complaints are heard, recorded and registered with the ethics committee for further action with transparency and confidentiality so that it improves confidence in the organisation and also acts as a deterrent against deviations from guidelines, values and the DNA. The whistle blower complaints/disclosures are recorded and tracked through an independent third party-monitored 'Ethics help line'.
Permanent Employees	**Yes. We have a Whistle Blower Policy and Vigil Mechanism for all the stakeholders including employees.**
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company recognizes employee need to form trade unions so that they can put forward aspirations better to the senior management. The Company has trade unions in its Maharashtra facility. There are no unions in its Uttar Pradesh facility. Interactions between the senior management and trade unions are conducted periodically to maintain cordial relations.

Benefits	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees						
Male	536	0	0	441	0	0
Female	13	0	0	3	0	0
Total permanent workers						
Male	1806	680	38%	1689	639	38%
Female	10	9	90%	7	7	100%

8. Details of training given to employees and workers

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	536	470	88%	285	53%	441	388	88%	234	53%
Female	13	4	31%	4	31%	3	3	100%	3	100%
Total	**549**	**474**	**86%**	**289**	**53%**	**444**	**391**	**88%**	**237**	**53%**
Workers										
Male	2880	2082	72%	521	18%	2637	2221	84%	378	14%
Female	50	12	24%	0	0%	11	8	73%	0	0%
Total	**2930**	**2094**	**71%**	**521**	**18%**	**2648**	**2229**	**84%**	**378**	**14%**

9. Details of performance and career development reviews of employees and worker:

Benefits	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	410	410	100%	434	434	100%
Female	3	3	100%	2	2	100%
Total	**413**	**413**	**100%**	**436**	**436**	**100%**
Workers						
Male	2880	2880	100%	2637	2637	100%
Female	50	50	100%	11	11	100%
Total	**2930**	**2930**	**100%**	**2648**	**2648**	**100%**

10. Health and safety management system:

a. Whether an of occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, Occupational Health and Safety Management System IS 14489:2018 is implemented in our company. It covers the entire manufacturing complex of all the units

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, a daily plant monitoring is done by the safety officer while camera monitoring is undertaken to identify unsafe acts/ unsafe conditions to enhance safety. The Company provided PPE kits to employees and made wearing them a mandate. Due diligence to identify work hazards and identification of repeated injuries helped develop effective countermeasures.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company encourages employees to report near-miss incidents identified through digital platforms, which are analyzed from a central repository. The employees who report the highest number of instances are felicitated, which acts as an incentive for employees to report near-miss incidents.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety incident/Number	Category	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Lost time injury frequency rate (LTIFR) (per one million-person hours worked)	Employee	0	0
	Workers	1.39	0
Total recordable work-related injuries	Employee	0	0
	Workers	0	0
No. of fatalities	Employee	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employee	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has in place a safety, health and environment policy which is approved by the Risk Management Committee and the Board of Directors. The following measures were taken to ensure a safe and healthy environment:

- Checking the use of PPEs
- Displaying safety signages and boards to create the safety culture.
- Issuing notices to employees and contractor workers for the non-use of PPEs.
- Safety Audits were conducted through independent agency, National Safety Council and Elion Technologies and Consulting P. Ltd.

13. Number of complaints on the following made by employees and workers:

	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	0	0	-	3	0	-
Health & safety	0	0	-	4	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from the assessments of health and safety practices and working conditions.

a) Each employee entering the plant premises is imparted safety induction training.

b) Permit to work system is religiously followed by each sections of the unit.

c) Tool Box Talk (TBT) is imparted to the working crew by job supervisor/engineer prior to the deployment of the workforce.

d) A safety committee is formed with equal participation of the workforce from executives as well as workmen. Along with their jobs, they act as sectional safety members for the improvement of safety culture and working conditions. A Safety Committee meeting is conducted quarterly.

e) Regular training is imparted to the working crew.

f) Mock drills are conducted at regular intervals to enhance awareness and check the effectiveness of the existing emergency response.

g) All lifting tools and tackles/ pressure vessels are tested and inspected by approved parties.

h) All equipment / portable machineries are physically inspected prior to use.

i) Joint walkthroughs (participation of representatives from each department) were also conducted from time to time.

j) The welding machine is tested for being in a good condition through bullet points during the plant inspection and related training is provided for safe operations through on-the-job training and posters. All welding machines are in good condition at present.

k) Fire generated from bagasse, coal and rectified spirit /ethanol might create major safety related incidents in the plant.

l) The Company provided fire hydrant systems and fire extinguishers in plants to mitigate fire hazards.

m) Fire drills /mock drills are conducted

n) Continuous trainings are conducted on firefighting ,first aid and safety related topics.

o) Old rusted plate forms were upgraded.

p) SOPs are framed.

q) Safety Audits are conducted through independent agency(ies).

r) Safety Audit Report and detailed presentation on corrective actions is presented to the Risk Management Committee and Audit Committee.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)

Yes, all the employees of the Company are covered under the life insurance policy in the event of death.

(B) Workers (Y/N)

Yes, the Company provides compensation in the event of the workers.

Hospitalization insurance mitigates the financial burden in case of hospitalization of the employee or his/her dependents and covers all the employees who are in permanent roles of the Company. The family floater insurance coverage is as per the designation and the premium amount which is to be borne by the employee for self and the declared dependents.

Further, all employees are covered under a group level accident insurance scheme as part of the Company's effort to safeguard the future of its employees and their family members in the unfortunate event of a mishap. It covers all executive member claims in cases of permanent total disablement, permanent partial disablement, temporary total disablement, death and carriage of dead body.

The Company caters to unforeseen circumstances like early death and debilitating diseases not covered by regular policies of personal accident insurance and medical claim etc. All employees are covered under the life Insurance guidelines and the benefit is in the form of monetary relief to the nominee of the participant in case of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Specific contractual obligations with respect to deduction and deposit of statutory dues by value chain partners are provided for such adherence. Also, regular cross checks of documents are conducted.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total number of affected employees / workers		Number of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Employees	0	0	0	0
Workers	2	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not available
Working conditions	Not available

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments of health and safety practices and working conditions of value chain partners.

None

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the process for identifying key stakeholder groups of the entity.

Engaging and collaborating with stakeholders is key for the development of our business strategy. To build a meaningful and transparent relationship, we engage with our stakeholders to form long-term relationships based on trust and a willingness to collaborate. We define our stakeholders as individuals, groups or organizations who have a material influence or are materially influenced by the way we perform our activities. At DBSIL, we engage with our stakeholders periodically through various channels and proactively communicate relevant information to our stakeholders through meetings, annual report, corporate social responsibility report, integrated report, press releases, social media, etc. We strive to ensure that it is a two-way communication process. Feedback from our stakeholders is welcome so that we can learn the ways to improve our company. The following table mentions different modes through which we engage with our stakeholders and concerns discussed with them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable and marginalized group (Yes/ No)	Channels of communication (email, SMS , newspaper, pamphlets, advertisement, community meetings, notice board, website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor	No	Quarterly financial reports , Annual general meeting, Press releases, Website, Stock exchanges, Advertisement, Emails, Annual Reports	Quarterly	**Purpose and scope:** For stakeholders to know the financial standing of the company; Majorly finance related matters, including any new developments like expansions, new product launches, new markets, etc. **Concerns -** Transmission of shares; Investor Protection Fund (IPF) matters
Industrial association	No	Tie up with industrial associations through membership and being part of various committees and active participation	Annual	**Purpose and scope:** Coordination for sugar industry; advocacy to create a common platform for conducive government policies owing to the nature of sugar industry in India **Concerns -** Changing government policies; excess crop conditions.

Community	No	Meetings, CSR Reports, pamphlets, websites, SMSs, events and functions	All the year around	**Purpose and scope:** Social license to operate, inclusive growth and community participation, **Concerns:** Growth and development related concerns.
Supplier	No	Farmers - SMS, meetings, notice boards, IT enabled apps, websites, roadshows, display boards, announcements	All the year around	Farmers and other suppliers **Purpose and scope:** Business continuity, enhancing the awareness on best agricultural practices, education on new techniques and varieties for the sustainability of the cane crop; water harvesting techniques; automatic payment systems **Concerns:** Ensure better crop cultivation and ways to save the crops from pests and animals, reduce the cut to crush time
Customers	No	B2C: Email and phone numbers on products; advertisement of products on various mediums B2B: Emails, phone no. on the bag of products, regular interaction through meetings, suppliers meet Regular feedback from customers, customer satisfaction survey	All the year around	B2C **Purpose and scope:** Pricing strategy, quality of the product, product certification, loyalty and trust, feedback B2B **Purpose and scope** - To increase institutional sales, better product development, obtain customer feedback on existing supplies **Concerns:** Price volatility, government policies, progress of sugarcane crop, global scenario of sugar, product quality
Government and regulatory bodies	No	Regulatory compliance - through ISMA, All India Distillery Associations (AIDA)	All the year around	**Purpose and scope:** Coordination for sugar industry; advocacy to create a common platform for conducive government policies owing to the nature of sugar industry in India **Concerns** - Changing government policies ; excess crop conditions, compliance to laws and regulations, advocacy.
Employees	No	Emails; floor visits, morning meetings, helpdesk options on employee portals;	All the year around	**Purpose and scope:** Trust and loyalty, work life balance, employee retention; query handling, reduce bottlenecks for employee efficiency, enhance employee engagement **Concerns:** Payroll, leaves related concern, self-development related concerns, complaints, performance related
Competitor	No	Analysis of the best practices adopted by peers		Sectorial performance of peers, Healthy competition

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

In this rapidly changing environment the Company is adapting and responding to issues that matter the most to business and stakeholders. It is constantly working on understanding these issues as they help us define strategic priorities and report issues of interest to stakeholders. To identify and subsequently validate the material issues, the Company first creates a bucket list of potential material aspects by analysing the material issues of peer companies through the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). Furthermore, the Company engages with stakeholder groups to understand views and concerns on identified material issues. This helps the Company in defining these material aspects and fabricating a path for long-term value creation. The assessment makes it possible to shortlist and prioritize material elements and group them under four pillars: empowering people, responsible consumption, responsible growth and business ethics and sustainable business practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the stakeholder consultation is important to identify the areas of concern in environment and social sectors. The Company's major stakeholder is the farmers/suppliers/community around us. The main concern is soil health and water conservation, being an agrarian community. Hence, the Company is working extensively on soil health management and efficient water usage with water conservation, while promoting better agricultural practices for superior yield through the cane department and corporate social responsibility initiative. The Company considers unemployment as a concern and operates skill training centres that provide placement-linked, short-term skill training programs to the youth.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company undertakes cane development activities and provides necessary guidance to marginalized cane growers with regards to the selection of the right variety of propagation materials, agri-inputs and agronomical practices, support in setting-up farmyard manure units, vermicomposting units, provide solar operated sprayers, among others. The promotion of energy-efficient cooking methods and the installation of solar lighting has particularly benefited the women and children of the communities. Women Self Help Groups are promoted and skills development training sessions (stitching and weaving, Moonj craft, among others) are conducted to create additional avenues of income generation for them. Also maternal, neonatal and adolescent health camps are run periodically. Many school intervention programmes have been implemented and remedial education centres have been established for children. The construction of individual sanitary latrines in line with 'Swachh Bharat Abhiyaan' and 'Swachh Vidyalaya Abhiyaan' benefitted the local community. Skill training centers (ITI and DIKSHa) are being run to ensure skill development, enhancing the employability of the local youth.

Principle 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	549	545	99%	444	442	100%
Other than permanent	0	0	-	0	0	-
Total employees	**549**	**545**	**99%**	**444**	**442**	**100%**
Workers						
Permanent	1816	1716	94%	1696	1696	100%
Other than permanent	1114	1114	100%	952	952	100%
Total workers	**2930**	**2830**	**97%**	**2648**	**2648**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	536	0	0	536	100%	441	0	0%	441	100%
Female	13	0	0	13	100%	3	0	0%	3	100%
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	1806	0	0	1806	100%	1689	0	0%	1689	100%
Female	10	0	0	10	100%	7	0	0%	7	100%
Other than permanent										
Male	1074	209	19%	865	81%	948	67	7%	881	93%
Female	40	0	0	40	100%	4	0	0%	4	100%

3. **Details of remuneration/salary/wages, in the following format:**

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (PA)	Number	Median remuneration/ salary/ wages of respective category (PA)
Board of Directors (BoD)	5	17,00,000	1	15,00,000
Key Managerial Personnel (other than Board members)	1	1,30,46,946	1	11,68,491
Employees other than BoD and KMP	533	6,01,830	12	5,29,350
Workers	1806	3,10,104	10	3,48,856

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, HR Head at Corporate Office and Unit Heads at different Units are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At DBSIL, we have Safety Committee, Works Committee(s), Union(s), Whistle Blower Policy and Vigil Mechanism, Anti sexual harassment Guidelines and ethics helpline to ensure the redressal of grievances related to human rights. The human relations, legal and compliance department, in collaboration with other functions, ensure that the human rights are upheld and reinforced from time to time at the operational level.

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0		0	0	0
Discrimination at workplace	1	0		1	0	1
Child labor	0	0		0	0	0
Forced labour/involuntary labour	0	0		0	0	0
Wages	0	0		0	0	0
Other human rights related issues	0	0		6	0	6

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Protection of Whistle Blowers

No unfair given to a whistle blower by virtue of him / her having made a protected disclosure under the policy. The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers. Complete protection is given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his / her duties / functions including making further Protected Disclosures. The identity of the whistle blower is kept confidential to the extent possible and permitted under law. Any other employee or director assisting in the said investigation is also protected to the same extent as the whistle blower.

Protection against Victimization

Our Anti-Sexual Harassment Guideline ensures a safe and secure workplace free from threats, harassment, discrimination or other intimidating behaviours of all kinds. No person is victimized for anything said or done in relation to any complaints or proceedings under these guidelines. It is the responsibility of the complaints panel or department concerned to protect or safeguard the person (s) who:

(a) Has brought proceedings under the said guidelines against any person.

(b) The other person associated with the complaint.

(c) Has given evidence or information or produced a document, in connection with any proceedings under the guidelines.

Has otherwise done anything in accordance with these guidelines in relation to any person.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company has strict guidelines on human rights issues in all external contracts. In addition, internal control mechanisms exist to ensure the human rights due diligence. All contracts are monitored constantly in compliance to the guidelines.

9. **Assessment for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of our plants and offices were assessed internally and by statutory authorities under the applicable laws.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- Please Specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above**

The Company ensures that there are no individuals below 18 years of age /or forced/involuntary labour are engaged. The Company strives to be discrimination free and does not allow discrimination and harassment based on religion, gender, caste, disability, nationality, sexual orientation, race and age. It is also ensured that all employees and permanent workers are paid more than minimum wage requirements. However, in view of the existing policies/guidelines to safeguard human rights, no further corrective actions were required to be taken pursuant to assessments.

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

No business process was required to be modified

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

DBSIL is one of the most respected sugar manufacturers in the country due to its consistent investments 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, Food, Safety and Quality (FSQ).

As a member of the Bonsucro Production Standard (voluntary global sustainability standard for sugarcane), the Company follows seven principles: obey the law, respect human rights and labour standards, manage efficiency to improve sustainability, manage bio-diversity and the ecosystem, continuously improve the organisation of farmers, adhere to European Union directives and the organisation of farmers.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The premises/office locations of the value chain partners have not been assessed. However, all contracts with value chain partners (wherever applicable) having strict guidelines on human rights are monitored constantly for compliance.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- Please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Total electricity consumption (A) in (million KJ)	52974	40492
Total fuel consumption (B) in (million KJ)	792189	777734
Bagasse (million KJ)	707080	695172
Coal(million KJ)	6374	16761
Industrial waste concentrated spent wash(million KJ)	78736	165801
Energy consumption through other sources (C) steam in million KJ	7901743	8053310
Total energy consumption in Million KJ (A+B+C)	**8746906**	8871537
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)KJ/Rs.	265	294
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water	439147	352368
(ii) Groundwater	1074243	1181141
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in litres) (i + ii + iii + iv + v)	**1513390000**	**1533509000**
Total volume of water consumption (in kilolitres)	**1513390**	**1533509**
Water intensity per rupee of turnover (Water consumed / turnover) KL/ million Rs.	45.9	50.8
Specific water consumption per unit of product	3.86	5.20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent has been carried out by an external agency during the year. However, we are in the process to engage with the government authorized agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation -

The company has installed online effluents and air emission monitoring systems that are connected to the website of Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB) for online monitoring of treated wastewater and air emissions. DBSIL has implemented zero liquid discharge scheme across its entire locations. The Company invested in best-in class effluent treatment plants to achieve zero liquid discharge status across all plants. The Company embarked on initiatives to minimize water consumption. 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. The Company recognises 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, the Company implemented various water conservation initiatives and constructed several village ponds near our plants to increase the availability of fresh water for the local community. The Company sustained near-zero water consumption in sugar cane processing with improvements to use recycled water.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
NOx		0	0
Sox		0	0
Particulate matter (PM)	MT	400	408
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others – please specify		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not done

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	132642	129499
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1139	640
Total Scope 1 and Scope 2 emissions per rupee of turnover(MT/Million Rs.)		4.05	4.31
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

7. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.

The Company has undertaken various energy saving initiatives that reduce energy consumption and moderate emissions. Bagasse, a by-product of sugar production, is utilised in our cogeneration plants to produce 'green power'. We have invested in five co-generation plants (129 MW) that addresses our energy requirements and generate surplus power which is marketed to the state electricity grid. Presently, about 60% of the total power generated is supplied to the grid in Uttar Pradesh and Maharashtra. DBSIL is committed to progressively reduce greenhouse gas (GHG) emissions by identifying significant emission sources. The Company operates a 17 MW wind farm in Tamil Nadu. The Company consumes 100% renewable energy; it implemented solar based water pumping systems in farms.

The following projects of DBSIL are registered under the United Nations Framework Convention on Climate Change- Clean Development Mechanism (UNFCC-CDM) which are related to the reduction in greenhouse gas emissions:

i. Unit - Nigohi.

ii. Unit - Jawaharpur

iii. Unit – Ramgarh

8. Provide details related to waste management by the entity, in the following format:

Parameter		FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Total waste generated (in metric tonnes)			
Plastic waste (A)		158	214
E-waste (B)		1.4	2
Bio-medical waste (C)		0	0
Construction and demolition waste (D)		0	0
Battery waste (E)		56	0
Radioactive waste (F)		0	0
Other hazardous waste. Please specify, if any. (G) Spent wash		207974	173808
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		1479027	1418952
Bagasse-internal generation		1434134	1389423
Ash to farmer		17,841	16,790
K-Ash		27052	12739
Total (A+B + C + D + E + F + G + H)		**1687216**	1592976
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste		**FY 2022-23 Current financial year**	**FY 2021-22 Previous financial year**
(i) Recycled	Lubrication oil	10	1.3
(ii) Re-used	Bagasse	1302122	1280194
	Slop	207974	173808
(iii) Other recovery operations		0	0
Total		1486147	1454003
For each category of waste generated, total waste disposed by the nature of disposal method (in metric tonnes)			
Category of waste: ash, concentrated spent wash, bio gas, sludge (manure)			
Incineration ash	Used as manure	27,788	27,973
Cogen ash	Used as fly ash bricks manufacturing and landfilling	17,841	16,790
Sludge(manure)	Used as manure	741	165

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not done

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The environment component ensures that the Company consumes environmentally responsible resources, utilizes an optimal quantum of finite fossil fuels, recycles waste, moderates carbon footprint, and builds resistance to climate change.

The Company ensures that its principal raw material is efficiently converted into products. The distilleries and co-generation business units generate additional revenues while adding value to by-products from the sugar production process. The Company ensures bio-composting at distilleries from the waste generated after the 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 the plants is disposed off in accordance with statutory requirements. There are multiple waste management strategies adopted at DBSIL to ensure that the waste is being managed adequately. Following are practices adopted at DBSIL.

Zero liquid discharge

- 100 % treatment of effluent as per the statutory requirement
- Maximum recycling
- 90% reduction in ground water withdrawal per tonne of product
- 100% reuse

Zero waste approach

- Reduction in packaging material
- Bulk transportation wherever feasible
- Compliance of Extended Producer Responsibility

Waste to wealth

- Creating various project for waste conversion into usable products like; ash brick, bio manure and generation of bio compressed natural gas
- Rich potash based manure generated and distributed among the farmers.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Proposed 150 KLPD molasses/cane juice/ grain based distillery along with 3 MW co-generation power plant, expansion of sugar mill (3500 TCD to 6000 TCD) & co-generation power plant (4.5 MW to 7.5 MW)	14th September 2006 and as amended on 13th June 2019, category A or activity "5(g)" distilleries	17 October 2022	Yes	Yes	http://environmentclearance.nic.in/searchproposal.aspx
Expansion of grain based ethanol plant from 200 KLPD to 500 KLPD along with co-generation power plant from 10 MW to 20 MW	S.O. 345(E), dated the 17th January, 2019, notification number S.O. 750(E), dated the 17th February, 2020, S.O. 980 (E) dated 02nd March, 2021 & S. No. 2339(E) 16th June, 2021	27 February 2023	Yes	Yes	http://environmentclearance.nic.in/searchproposal.aspx

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the Company is compliant with the applicable environmental law/ regulations/ guidelines in India.			

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
From renewable sources		
Total electricity consumption (A) Million KJ	51592	38848
Total fuel consumption (B) Million KJ	785816	760973
Energy consumption through other sources (C) steam in million KJ	7901743	8053311
Total energy consumed from renewable sources in million KJ (A+B+C)	**8739150**	8853132
From non-renewable sources		
Total electricity consumption (D) million KJ	1382	1666
Total fuel consumption (E) million KJ	0	0
Energy consumption through other sources (F) million KJ	0	0
Total energy consumed from non-renewable sources in million KJ (D+E+F)	1354	**1666**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment /evaluation/assurance has not been carried out.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0	0
- With treatment – please specify level of treatment to farmers	0	0
(ii) To groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – primary, secondary, and tertiary treatment as per MoEF notification and guidelines	463429	1135342
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	773210
Total water discharged (in kilolitres)	**463429**	**1908552**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment /evaluation/assurance has not been carried out

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area	None
(ii) Nature of operations	Not Applicable
(iii) Water withdrawal, consumption and discharge in the following format:	Not Applicable

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover) KL/ Million Rs.		
Specific water consumption (KL/KL)		
Specific water consumption (KL/MT)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not done

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Category of waste	Unit	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	We educate and encourage our suppliers to generate and share data with respect to emission related to our supply.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Done

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Since there are no operations in the ecologically sensitive areas reported at Question 10 of Essential Indicators, this is not applicable.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   The Company has undertaken initiatives in clean technology, energy efficiency, renewable energy etc. Bagasse is used as a fuel for generating power in its captive power plants. At the distillery, spent wash is mixed with bagasse and used as a fuel in boilers to generate clean energy through the incineration process to minimize carbon footprint. The Company has a wind power plant in the district of Kanyakumari, Tamil Nadu.

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Significant reduction in steam consumption.	Installed falling film evaporators with flash pot (cigar) and steam saving devices. Reduction in steam consumption from 42% to 33% on cane in one of the sugar unit	Overall reduction in fuel consumption in the tune of 40,000 MT per annum
Installation of dust collector in the sugar bagging area.	To arrest fine flying dust particles greater than 5 microns.	Overall improvement in ambient air quality.
Process changes in one of the units.	To minimize sulphur consumption.	Sulphur consumption has almost reached zero level.
Replacement of condensing turbine with back pressure turbine	Steam saving without addition in boiler capacity which was required otherwise to install 20MT additional steam generation capacity	Saved the installation of new steam generation plant of 20MT

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   All units of the Company are having onsite and offsite emergency plans developed in line with the district administration requirement as per the disaster management plan. The plan is targeted to contain the incident, minimize causalities, prevent further injuries, migratory measures, quick and streamlined relief and rescue operation without unnecessary delay, speed up restoration of normalcy and ensure that each member of the emergency operation including the response team and employees to be aware of their role in emergency.

   The Company has in place the policies and procedure pertaining to Information Security, Data Classification and other critical areas, Business Continuity Plan and Data Recovery Plan and same are operational.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   Not Applicable

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Not applicable

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

   Thirteen (13)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations
1	Indian Sugar Mills Association (ISMA)	National, https://www.indiansugar.com/
2	Uttar Pradesh Sugar Mills Association	State
3	West Indian Sugar Mills Association (WISMA)	Regional, https://wisma.in/
4	Co-generation Association of India	National, http://www.cogenindia.org/
5	Federation of Indian Chambers of Commerce & Industry(FICCI)	National, HTTPs
6	The Sugar Technologists' Association of India(STAI)	National, http://staionline.org/About_stai.aspx
7	Bonsucro	International
8	All India Distillers' Association	National
9	CII	National

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations
10	Indian Chamber of Commerce	National
11	UP Sugar Mills Co Gen Association	State
12	UP Distillery Association	State
13	Indian Bio Gas Association	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes / No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
The Company prefers to be a part of broader policy development process, taking into account the Company's, national and stakeholders' interests. However, it does not lobby any specific issue. The Company however has membership of various committees of Industrial Associations and it takes active participation in advocacy to create common platform for conducive government policies owing to the nature of sugar industry.					

DBSIL regularly interacts with the Government bodies, regulators, legislative bodies etc. DBSIL understands its responsibilities to operate within the democratic setup and constitutional framework.

DBSIL being one of the leading manufacturers of sugar products in India, shall strive to be a part of most of the chambers and associations.

DBSIL makes recommendations /representations before Government bodies, regulators, legislative bodies, chambers and associations for advancement and improvement of sugar business in India. The representatives of the Company, upon invitation, participate and play an active role on associations constituted for the development and representation of sugar industries.

The Company shall ensure constancy of its public communications, disclosures with the code of conduct and the principles as outlined in the relevant regulatory framework.

The Company shall promote consensus, co-operations, compliances, persuasion and meaningful discussions instead of conflict on policy and regulatory matters.

The Company believes that policy advocacy must preserve and expand public good.

Principle 8: Businesses should promote inclusive growth and equitable developmen

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not undertaken	-	-	-	-	-

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company has various mechanisms to receive and redress grievances of the communities. We have a complaint register in plants. The communities also follow formal channel and informal channels through corporate social responsibility teams, external stakeholder groups and many more.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Directly sourced from MSMEs/ small producers	Approx. 90%	Approx. 90%
Sourced directly from within the district and neighbouring districts	Approx. 90%	Approx. 90%-

All plants of the Company are proximate to cane growing areas. Almost all the raw materials are procured sustainably. Since the raw materials are procured from sources close to the units, the Company minimizes transportation costs. A significant proportion of the cane is supplied by small and medium-scale farmers through bullock-driven carts, reducing pollution.

The Company strives to procure materials and services from local suppliers. Majority of the sugarcane is purchased from local farmers (including small and medium scale-farmers) based in the units allotted to the respective areas by the cane commissioner. All transportation services and stationery items, printing materials, electrical goods, sanitizers, and civil items are procured from the local markets.

ESSENTIAL INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

State	Aspirational district	Amount spent (In INR)
Not applicable		

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational district	Amount spent (In INR)
Not applicable	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No

   (b) From which marginalized /vulnerable groups do you procure?

   Not applicable

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Intellectual property based on traditional knowledge	Owned/ acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken	Basis of calculating benefit share
- Not applicable	-	-	-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	**Livelihood**		
	947 trainees (399 Sitapur Centre, 373 Shahjahanpur Centre & 175 Kolhapur Centre) completed their skill training in Dalmia Institute of Knowledge and Skills Harnessing and 100% job has been offered. 295 are continuing with their training in Shahjahanpur, Sitapur and Kolhapur Skill Training Centers.	1017	25
	More than 250 moonj artisans under upskilling training organised through Mon Ami Foundation	250	30
	Under the ongoing sustainable sugarcane intensification project, 100 farmers underwent training on improved agricultural practises and were also taken on an exposure visit to sugarcane research institute.	100	30
	Under the Breed Improvement project 3503 AI's were performed (3258 of conventional semen and 1348 of sorted semen) across three artificial insemination in Uttar Pradesh covering 43 villages. 1138 calves were born (931 through conventional semen and 219 through sorted semen) which included 639 female calves.	4606	30
	Continue to work with 238 women self help groups across all 5 sugar location benefitting around 2586 marginalised women. And various self employment linked trainings were organised for the women self help groups.	2,586	50
2	**Climate Action**		
	5.57 lakh KL of water was harvested through village pond deepening activities.		
	18.24 lakh KL of water was harvested through recharge shafts in water holding structures, including village ponds.		
	36.18 lakh KL of water were conserved through the mulching technique used by DBF-supported farmers.		
	Drip irrigation activities have also played a role in conserving 0.104 lakh kiloliters of water	135	25
	Fencing of village pond was taken-up in Asurle Village, Kolhapur location	4,000	30
	2220 Farmyard manure pits and 1360 vermicomposting unit were constructed in UP Sugar locations. FYM pits has the potential to generated 22200 tons of FYM which could be applied on 22460 hectares of land and 1360 vermicompost units has the potential to generate 1360 tons of vermicompost which could be applied on 550 hectares of land.	3580	25
	47 solar street lights were installed across Kolhapur and Ninaidevi location benefitting 8 villages.	4,700	40
	650 Solar lanterns were promoted across all 2 sugar locations in Maharashtra, creating an annual potential to evade 155 tons of co2 year-on-year	650	40
3	**Social Infrastructure**		
	Digital education - 20 digital e learning centers have been set-up covering both Ninaidevi and Kolhapur location benefitting nearly 3800 school children.	3,800	40
	4 community hand pumps have been installed in Nigohi location benefitting around 2300 villagers.	2,300	50
	2 anganwadi facelifting works were taken-up in Kotoli and Porel Tarf Thane villages.	160	20

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	5 schools were taken-up under school painting project covering Kerle, Porle, Malunge, Kothwadi and Waghve	2,500	40
	Sports kits (wrestling) was provided to one school in Kotoli and supported one wrestling institute.	1,045	30
	School Compound Wall were consturcted in Kolhapur and Ninaidevi location covering 2 schools.	560	30
	Educational kits were provided to 750 school children covering 40 schools across Kolhapur and Ninaidevi location.	750	100
	Dobhi ghat was constructed in Kolhapur location.	1,000	100
	Cementary was constructed in Ninanidevi location.	400	20
	Common play ground development works were taken-up in Kolhapur location covering one village	5,000	25
	1040 kitchen gardens have been established across three locations in Uttar Pradesh, benefitting around 5200 villagers.	5,200	30
	2 Speciality health camps were conducted benefitting around 630 villagers	630	20
	Covid19 PPE were provided to frontline workers across all location	5,000	30
	Total	**55,391**	**860**

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- Raised by the customer to company officials like sales officer or tech service engineer.
- Raised to the channel partner with whom the customer is dealing
- Directly from customer to the company helpline number
- By sending e-mail or on company website.

The complaint is gathered from the customer in a specific format that captures all details of complaints, including the date of receipt, product type, brand, manufacturing date, week number, quantity supplied, quantity used, date of supply, invoice number, dealer details, location, district name, nature of the complaint, application area, detailed explanation of the complaint, assistance provided in the past like strength test or mix design, whether sample collected, third party or plant testing requirement.

The Company has a response mechanism for consumer complaints, which begins from formal receipt of the complaint, attending to the complaint within a stipulated time (48 to 72 hours), identifying the root cause of the problem, sample testing at the plant or third-party facility, findings shared with the customer and the complaint brought to closure. There is also an escalation matrix in place for handling complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All the necessary information as per the regulatory requirements are disclosed on all our products. Information about FSSAI certification is disclosed on all the packaged products.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23 Current financial year		Remarks	FY 2021-22 Previous financial year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	NIL	-	-	-
Restrictive Trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	None	Not applicable
Forced recalls	None	Not applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The enterprise risk management system is aligned with the risk management policy. The risk management system has a framework on cyber security and risks related to data privacy. The Company is working on a robust data security architecture and reporting mechanism.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Since there are no complaints, there was no need for any corrective action. However, The Company always strives to ensure that the best quality products are delivered to customers and all feedback from stakeholders is considered in business processes.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

www.dalmiasugar.com, www.facebook.com/dalmiautsav, www.instagram.com/dalmiautsav

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Some steps followed by the company to educate consumers about our products and its content are:

- Nutritional Value added over label of Dalmia Utsav sugar packs.
- On ground promotion activity for educating consumers
- Trade and consumer exhibitions to interact and educate consumers

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Company follows Bureau of Indian Standards (BIS) regulation for product packaging and information to be contained in the product packaging.

5. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact: - None

b. Percentage of data breaches involving personally identifiable information of customers: -Not applicable

Independent Auditor's Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dalmia Bharat Sugar and Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and other 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 financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw your attention to note 48 to the financial statements, regarding the approval of the Scheme of Arrangement between Himshikhar Investment Limited (the "Transferror Company" or "HIL") and the Company and their respective shareholders for transfer of the transferor company (the 'Scheme') received from the National Company Law Tribunal vide its Order dated June 10, 2022, from appointed date of April 1, 2021. However, the accounting treatment pursuant to the Scheme has been given effect to from the date required under Ind AS 103 - Business Combinations, which is the beginning of the preceding period from April 1, 2021. Accordingly, the figures for the year ended March 31, 2022, have been restated to give effect to the aforesaid merger.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response
(1) **Determination of net realizable value of inventory of sugar as at the year ended March 31, 2023 (Refer note 8 & 36 to the Financial Statements)** As on March 31, 2023, the Company has inventory of sugar with the carrying value ₹671.85 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.	**Our procedures included the following:** • 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.

Key Audit Matter	Auditor's Response
	• 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.
(2) Litigations Matters & Contingent Liabilities (Refer note 32 of the Financial Statements) The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the Company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	**Our procedures included the following:** • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Discussion with the management on the development in these litigations during the year ended March 31, 2023. • Obtaining an understanding of the risk analysis performed by the Company, with the relating supporting documentation and studying written statements from internal/ external legal experts, when applicable. • Verification that the accounting and/ or disclosures as the case may be in the financial statements is in accordance with the assessment of legal counsel/ management. • Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised)-written representations.
(3) Calculation of deferred tax liability on the basis of dual rates (Refer note 28 to the Financial Statements) From the financial year commencing April 1, 2019, the Government of India Promulgated the Taxation Laws (Amendment) Ordinance, 2019 (enacted into Taxation Laws) (Amendment) Act, 2019) has introduced Section 115BAA of the Income Tax Act 1961 in which companies can opt for lower tax rate based on certain conditions such as foregoing exemptions/deductions including deduction under chapter VI A and foregoing the benefits of MAT credit entitlement. As per Para 47 of Ind AS 12 and clarifications given in bulletin no 23 of ITFG, where a company expects to avail of the lower tax rate only from a later financial year it should apply the lower tax rate in measurement of deferred taxes only to the extent that the deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in the periods during which the Company expects to be subject to lower tax rate. To the extent deferred tax assets are expected to be realized or deferred tax liabilities are expected to be settled in earlier periods, the normal tax rate should be applied. Based on the assessment made by the Company, deferred tax liability/Assets has been calculated on the basis of dual tax rates as may be applicable in future. Measurement of deferred tax assets & liabilities has resulted in reversal of deferred tax liability of ₹ NIL (Previous Year ₹42.46 Crores)	**Our procedures included the following:** • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets. • Considered the relevant accounting standards and clarifications given by ITFG for recognition of deferred tax assets and liabilities based on the tax rates expected to be applied at the time of reversal and assessed the appropriateness of the recognition of deferred tax assets/ liabilities. • Evaluated the management's assessment for complying with the prescribed conditions as mentioned in the relevant notification issues by income Tax department. • Understood and verified the assumptions taken for preparation of future profit projections, utilization of MAT Credit and for migration to new tax regime as prepared by the management. • Tested the arithmetical accuracy of the calculations performed by the management. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other 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. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying

transactions and events in a manner that achieves fair presentation.

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 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.

Other Matter

The Company has prepared these financial statement after giving effect to the Scheme of Amalgamation of Himshikhar Investment Limited, a wholly owned subsidiary, with the Company with an appointed date of April 1, 2021 (the "Scheme") and accordingly the audited financial statement of the Company for the year ended March 31, 2022 have been restated as per the requirements of Ind AS 103 to include the audited financial statement of erstwhile Himshikhar Investment Limited for the above periods. We did not audit the audited financial statement and other financial information of Himshikhar Investment Limited which, without giving effect to elimination of intra-group transactions, reflect total assets of ₹ 200.28 crore as at March 31, 2022, total revenues of ₹2.08 crore, total net profit after tax of ₹2.10 crore and total comprehensive losses of ₹8.17 crore for the year ended March 31, 2022 and net cash inflows amounting to ₹ 0.11 crore for the year ended March 31, 2022. These audited financial statement and other information were reviewed by other auditor whose report had been furnished to us.

Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   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 relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   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, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statement - Refer note 32 to the financial statements.
      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

          (b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

          (c) Based on our audit procedures conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (a) & (b) contain any material misstatement.
      (v) As states in note 12 to the financial statements:

          (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123, as applicable.

          (b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123.

          (c) The Board of Director of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, as applicable.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N
Subodh Kumar Modi

Partner
Membership No.: 093684
UDIN: 23093684BGXGSR2946

Place: New Delhi
Date: May 19, 2023

Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited ('the Company')

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ('the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ('the Act') as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management according to the programme of periodical verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties as disclosed in note 4 to the financial statements, are held in the name of the Company except for the following:

Description of Property	Gross Carrying Value (₹ In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- Indicate the range, where appropriate	Reasons for not being held in name of company
Property, Plant & Equipment-Land	0.13	Govt. of Tamil Nadu	No	FY 2003	The Company has paid money and took the possession but the land is still not registered in the name of the company because the documentation is pending at government level.

(d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The management has conducted physical verification of inventory at reasonable interval during the year. In our opinion, the coverage and procedures of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 17(i) to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted loans and advances in the nature of loans, either payable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantee and securities, as applicable.

v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for maintenance of cost records under section 148(1) of the Companies Act, 2013 related to its products and are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanation given to us, the Company has generally been regular in depositing its undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable in arrear, as at March 31, 2023, for a period of more than six months from the date they became payable.

b) The details of statutory referred to in clause 3(vii)(a) above which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Gross Amount in dispute (in ₹ lakhs)	Amount paid under protest (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A)	0.32	0.03	2012 to 2015	Assistant Commissioner, LTU, Delhi
Central Excise Act, 1944	Demand of duty on sale of Electricity	1.64	-	April 2010 to June 2010	CESTAT, Delhi
Central Excise Act, 1944	Demand of duty on storage loss of R.S. and ENA	0.01	-	December 2009 to March 2010	CESTAT, Delhi
Central Excise Act, 1944	Denial of Cenvat Credit on M.S. Pipes, MS Angles, Steel, Channels, Aluminium Sheets, Bars & Rods, etc.	0.04	-	June 2005 to September 2005	High Court, Allahabad
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent	0.18	-	April 2011 to July 2014	Commissioner (A) , LTU
Central Excise Act, 1944	Demand of Interest on reversal of credit taken on Cement	0.06	-	March 2006 to March 2007	Dy. Commissioner
Central Excise Act, 1944	Denial of credit on Welding Electrodes	0.01	-	December 2009 to March 2010	Commissioner (A)
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent	0.47	-	April 2010 to July 2014	Commissioner (A)
Finance Act, 1994	Demand of Service tax on Commissioning & Installation charges	0.03	-	2006-07 & 2007-08	Dy. Commissioner
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A)	0.36	-	2012 to 2015	Commissioner (A)
Finance Act, 1994	Demand of Service tax on the Commission paid by Galilio on their system	0.02	-	December 2008 to September 2009	Dy. Commissioner
Central Excise Act, 1944	Denial of Cenvat Credit to erstwhile SDSSKL	0.13	-	2004-2005	Revenue Authority
Finance Act, 1994	Demand of Service tax on reimbursement of expenses received from various banks for the dividend a/c under Reverse charge mechanism	0.05	-	2013-14	Additional Commissioner LTU, New Delhi
Central Sales Tax	Entry tax demand	0.11	-	2006-2007	Additional Commissioner (Appeal)

Name of the statute	Nature of the dues	Gross Amount in dispute (in ₹ lakhs)	Amount paid under protest (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax	Entry tax demand	0.03	0.03	2000-2001	Additional Commissioner (Appeal)
Central Sales Tax	Entry tax demand	0.12	-	2012-13	Additional Commissioner (Appeal) Lucknow
Central Sales Tax	CST demand	0.17	-	2015-16	1st Appeal, Lucknow
Income Tax Act, 1961	Income Tax	0.95	-	AY 2004-05	Assessing Officer
Income Tax Act, 1961	Income Tax	3.81	-	AY 2008-09 to 2018-19	CIT (Appeals)
Income Tax Act, 1961	Income Tax	0.02	-	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax	0.90	-	AY 2016-17	Assessing Officer
Income Tax Act, 1961	Income Tax	34.19	-	AY 2017-18 and 2018-19	CIT Appeals
Labour Laws	Workmen Compensation	0.10	-	2007-08	Collector, Sitapur, UP
Labour Laws	Labour Compensation	0.12	-	2013-14	Dist Court, Beed, Maharashtra
Employees' Provident Fund and Miscellaneous Provision Act, 1952	Employees' Provident Fund	0.13	0.065	Jan 2011 to Aug 2014	Employees' Provident Fund Appellate Tribunal
Mineral concession Rules, 1960	Mining Compensation	183.73	-	Aug 1966 to Oct 2017	Madras, High Court
Mineral concession Rules, 1960	Dunite compensation	11.44	-	2000-2018	Madras, High Court
Mineral concession Rules, 1960	Magnesite compensation	7.24	-	2000-2018	Madras, High Court
Competition Act	Penalty for alleged cartel	3.93	0.20	2013-2014	NCLAT

viii. According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not been declared wilful defaulter by any bank, financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments), hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year and, hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

xiii. According to the information and explanation given to us and as per the books of accounts examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors hence, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 50 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to sub-section 5 of section 135 of the Companies Act, 2013. This matter has been disclosed in note 44 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of section 135 of Act. This matter has been disclosed in note 44 to the financial statements.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N
Subodh Kumar Modi

Partner
Membership No.: 093684
UDIN: 23093684BGXGSR2946

Place: New Delhi
Date: May 19, 2023

Annexure B to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited ('the Company')

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") and referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our report of even date

We have audited the internal financial controls over financial reporting of **Dalmia Bharat Sugar and Industries Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements 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, to the extent applicable to an audit of Internal Financial Controls both issued by the ICAI. 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 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 with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A Company's' internal financial control with reference to the financial statements 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 with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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, the Company has, in all material respects, an adequate internal financial controls with reference to financial statement and such internal controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal financial 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 ICAI.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N
Subodh Kumar Modi
Partner
Membership No.: 093684
UDIN: 23093684BGXGSR2946

Place: New Delhi
Date: May 19, 2023

Balance Sheet as at March 31, 2023

(₹ in crores)

Assets and Liabilities	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	1,651.91	1530.98
b) Capital work - in - progress	4	21.49	58.81
c) Intangible assets	4	0.09	0.13
d) Financial assets	5		
i) Investments	(i)	635.90	489.52
ii) Trade receivables	(ii)	5.58	-
iii) Loans	(iii)	0.03	0.05
iv) Others	(iv)	3.22	2.50
e) Income tax assets (net)	6	66.13	10.09
f) Other non-current assets	7	18.46	18.15
Total Non-current assets		**2,402.81**	**2,110.23**
B) Current assets			
a) Inventories	8	1,037.28	1,235.89
b) Financial Assets	9		
i) Investments	(i)	100.30	104.27
ii) Trade receivables	(ii)	148.96	155.87
iii) Cash and cash equivalents	(iii)	65.79	94.61
iv) Bank Balances other than (iii) above	(iv)	2.91	9.29
v) Loans	(v)	0.66	0.31
vi) Others	(vi)	29.35	23.23
c) Other current assets	10	14.85	42.37
Total Current assets		**1,400.10**	**1,665.84**
Assets for disposal group classified as held for sales	31(i)(a)	-	46.24
Total Assets		**3,802.91**	**3,822.31**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	16.19	16.19
b) Other equity	12	2,688.76	2,342.52
Total Equity		**2,704.95**	**2358.71**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	325.65	337.21
ii) Others	(ii)	-	3.19
b) Provisions	14	40.39	38.73
c) Deferred tax liabilities (net)	15	217.40	161.42
d) Other non current liabilities	16	1.14	4.67
Total Non- current liabilities		**584.58**	**545.22**
Current liabilities			
a) Financial liabilities	17		
i) Borrowings	(i)	128.42	481.30
ii) Trade payables	(ii)		
Due to micro small and medium enterprises		0.97	0.55
Others		207.18	250.13
iii) Other	(iii)	74.72	84.01
b) Other current liabilities	18	46.22	34.12
c) Income Tax liabilities (Net)		50.33	50.33
d) Provisions	19	5.54	6.04
Total Current liabilities		**513.38**	**906.48**
Liabilities directly associated with disposal group classified as held for sales	31(i)(b)	-	11.90
Total equity & liabilities		**3,802.91**	**3822.31**
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		

The accompanying note no. 1 to 52 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
Whole Time Director
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date: May 19, 2023

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in crores)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Continuing operations			
I. Income			
Revenue from operations	20	3252.08	3006.86
Other income	21	75.58	63.97
Total Income (I)		**3327.66**	**3070.83**
II. Expenses			
Cost of raw materials consumed	22	2093.64	1927.86
Change in inventories of finished goods ,work in progress and stock in trade	23	228.77	194.78
Employee benefits expense	24	187.23	165.49
Finance costs	25	37.68	34.82
Depreciation and amortization expense	4 & 26	121.25	94.71
Impairment of Property, plant and equipment	4 & 49	-	(21.79)
Other expenses	27	305.91	276.12
Total Expenses (II)		**2974.48**	**2671.99**
Profit/(loss) before exceptional items and tax		353.18	398.84
Exceptional items		-	-
Profit/(loss) before tax		**353.18**	**398.84**
Tax expense:	28		
Current tax		94.12	104.47
Deferred tax		10.74	(13.49)
Total of tax expense		**104.86**	**90.98**
Profit/(loss) for the year from continuing operations		**248.32**	**307.86**
Discontinued operation			
Profit/(Loss) before tax from discontinued operation	31(ii)	2.39	(19.21)
Tax expense/(credit) on discontinued operation	31(ii)	0.64	(6.71)
Net profit/ (loss) for the year from discontinued operation		**1.75**	**(12.50)**
Profit for the year		**250.07**	**295.36**
Other comprehensive income	29		
a. i) Items that will not be reclassified to profit/(loss)		147.25	(33.55)
ii) Income tax relating to items that will not be reclassified to profit/(loss)		(17.45)	3.70
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		(1.66)	(1.23)
ii) Income tax relating to items that will be reclassified to profit/(loss)		0.42	0.31
Total comprehensive income for the year (net of taxes)		**378.63**	**264.59**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earnings per share	30		
Continuing operations			
Basic (in ₹)		30.68	38.04
Diluted (in ₹)		30.68	38.04
[Face value of share ₹ 2 each]			
Discontinued operations			
Basic (in ₹)		0.22	(1.55)
Diluted (in ₹)		0.22	(1.55)
[Face value of share ₹ 2 each]			
Continuing and Discontinued operation			
Basic (in ₹)		30.90	36.49
Diluted (in ₹)		30.90	36.49
[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 52 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
Whole Time Director
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date: May 19, 2023

Statement of Cash Flows for the year ended March 31, 2023

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Audited	Audited
A. Cash Flow from Operating Activities		
Profit Before Tax (incl. Discontinued operation)	**355.57**	**379.63**
Adjustments for Non-cash and Non -operating items:-		
Add:-		
Depreciation / Amortization	121.25	94.71
Impairment reversal	-	(21.79)
Bad Debts/ Advances written off	0.29	0.06
Finance Cost	37.68	34.82
Less:-		
Dividend Income	(2.88)	(1.74)
Interest Income	(12.78)	(2.04)
Provision for doubtful debts written back	(0.36)	(0.16)
Provision for Non moving inventory written back	(0.55)	(0.68)
(Profit)/Loss on sale of Investments	(5.14)	(9.60)
(Profit)/Loss on sale of property, plant & equipment and Assets written off	(0.29)	3.01
Grant amortized	(16.13)	(5.52)
Operating Profit before working Capital Changes	**476.66**	**470.70**
Adjustments for working Capital changes :		
Inventories	199.16	133.32
Trade and Other Payables	(59.02)	(40.73)
Trade and Other Receivables	88.64	60.58
Cash Generated from Operations	**705.44**	**623.87**
Direct Taxes (Paid)/Refund	(122.59)	(56.54)
Net Cash generated from Operating activities	**582.85**	**567.33**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(217.82)	(333.40)
(Purchase)/Sale of Investments (net)	9.98	3.47
Interest Received	12.78	2.03
Dividend Received from Non Current Investments	2.88	1.01
Net Cash used in Investing Activities	**(192.18)**	**(326.89)**
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short term Borrowings (net)	352.88	(249.96)
Proceeds/(Repayment) of Long term Borrowings (net)	(11.56)	110.57
Finance Cost	(22.67)	(29.17)
Dividend Paid	(32.38)	(48.56)
Net cash used in financing activities	**(419.49)**	**(217.12)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(28.82)**	**23.32**
Cash and cash equivalents at the beginning of the year	94.61	71.29
Cash and cash equivalents at the end of the year	65.79	94.61

Statement of Cash Flows for the year ended March 31, 2023

(₹ in crores)

Components of Cash & Cash Equivalents	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with banks		
Cash on hand	0.17	0.18
Balances with banks	65.62	94.43
Net Cash & Cash Equivalents	**65.79**	**94.61**

Changes in liabilities arising from financing activities:

Particulars	As at March 31,2023	Cash flows	As at March 31,2022
Current borrowings	128.42	(352.88)	481.30
Non current borrowings	325.65	(11.56)	337.21

Particulars	As at March 31,2022	Cash flows	As at April 1, 2021
Current borrowings	481.30	(249.96)	731.26
Non current borrowings	337.21	110.57	226.64

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.

Corporate Information	1
Basis of preparation of financial statement	2
Significant accounting policies	3

The accompanying note no. 1 to 52 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
Whole Time Director
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date: May 19, 2023

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(₹ in crores)

Particulars	As at March 31, 2023	Changes during the year	As at March 31, 2022	Changes during the year	As at April 01, 2021
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ in crores)

Particulars	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, 2021	**4.07**	**1737.16**	**52.54**	**284.47**	**1.88**	**(6.56)**	**2073.56**
Movement during FY 21-22							
Dividends including Dividend distribution tax paid during the year		(48.55)					(48.55)
Profit for the year		295.36					295.36
Adjustments pursuant to scheme of arrangement		(23.41)		76.35			52.94
Other comprehensive income				(25.67)	(0.92)	(4.20)	(30.79)
Balances as at March 31, 2022	**4.07**	**1960.56**	**52.54**	**335.15**	**0.96**	**(10.76)**	**2342.52**
Movement during FY 22-23							
Dividends including Dividend distribution tax paid during the year		(32.38)					(32.38)
Profit for the year		250.07					250.07
Other comprehensive income				129.14	(0.96)	0.37	128.55
Balances as at March 31, 2023	**4.07**	**2178.25**	**52.54**	**464.29**	**-**	**(10.39)**	**2688.76**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 52 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
Whole Time Director
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date: May 19, 2023

Notes to Financial Statements for the year ended March 31, 2023

1. Corporate Information

The Company was incorporated as Dalmia Cement (Bharat) Limited. Name of the Company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The Company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The Company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs).

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on May 19, 2023.

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

Notes to Financial Statements for the year ended March 31, 2023

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 assumptions 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 is based on assumptions about risk of default and expected losses. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

F. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to Financial Statements for the year ended March 31, 2023

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 Financial Statements for the year ended March 31, 2023

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 assets with indefinite useful lives, if 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

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.

Notes to Financial Statements for the year ended March 31, 2023

Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

  Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

Notes to Financial Statements for the year ended March 31, 2023

- 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 19 (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 leave, 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.

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. Assets (or disposal group) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Notes to Financial Statements for the year ended March 31, 2023

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represent as separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before/ after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 31. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

L. Financial Instruments

(a) Financial Assets

i. Classification

The Company classified financial assets as subsequently measured at amortized cost, fair value 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.

Notes to Financial Statements for the year ended March 31, 2023

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 at FVTOCI, then fair value change 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 asset (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

Notes to Financial Statements for the year ended March 31, 2023

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & borrowings.

v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

ix. Derivative financial instruments

The Company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognized 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

Notes to Financial Statements for the year ended March 31, 2023

portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

M. Investments in subsidiaries, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

N. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sale is exclusive of goods and service tax (GST) and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Ind AS 115 introduces a new framework of five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognized 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 transfer of power is accounted at the rate at which the Company would have purchased power from grid. For consolidation purposes these transfers are eliminated from respective heads.

Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognized to the extent sold.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The Company being a manufacturing entity does not generally provide services in the normal course of business except the travel related service.

Revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

O. Foreign currency translation/conversion

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Notes to Financial Statements for the year ended March 31, 2023

- **Initial recognition**

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- **Conversion**

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- **Exchange differences**

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

P. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to Financial Statements for the year ended March 31, 2023

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

R. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to 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.

S. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

T. Impairment

Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

Notes to Financial Statements for the year ended March 31, 2023

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 amortized cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

Notes to Financial Statements for the year ended March 31, 2023

4: Property plant & equipment, intangible assets & capital work in progress.

(₹ in crores)

Particulars	Property Plant and Equipments								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,2021	**581.98**	**0.58**	**211.58**	**1,466.64**	**8.90**	**6.01**	**6.25**	**2,281.94**	**3.64**	**2.21**	**5.85**	**2,287.79**
Additions	0.16	-	20.37	303.12	0.76	0.04	1.39	325.84		0.01	0.01	325.85
Disposal group classified as held for sale (Refer note no.31(i))	26.25		1.21	12.49	0.06	-	0.08	40.09			-	40.09
Disposals	-	-	0.79	7.90	0.25	0.22	1.50	10.68			-	10.68
as at 31st March,2022	**555.89**	**0.58**	**229.95**	**1,749.37**	**9.35**	**5.83**	**6.06**	**2,557.01**	**3.64**	**2.22**	**5.86**	**2,562.87**
Additions	5.95	-	14.04	219.85	0.68	0.60	1.33	242.45	-	-	-	242.45
Disposals	-	-	-	1.00	0.22	0.11	0.35	1.68	-	-	-	1.68
as at 31st March,2023	**561.84**	**0.58**	**243.99**	**1,968.22**	**9.81**	**6.32**	**7.04**	**2,797.79**	**3.64**	**2.22**	**5.86**	**2,803.64**
Depreciation and amortisation												
as at 01 April,2021	**0.01**	**0.17**	**86.45**	**872.31**	**6.88**	**3.61**	**4.68**	**974.13**	**3.64**	**1.99**	**5.63**	**979.77**
Charge for the year	-	-	5.73	87.28	0.40	0.44	0.78	94.63		0.09	0.09	94.71
Impairement reversal**	-	-	3.51	18.28	-	-	-	21.79			-	21.79
Disposal group classified as held for sale (Refer note no.31(i))	-	-	1.17	12.49	0.06	-	0.08	13.80				13.80
Disposals	-	-	0.62	4.60	0.20	0.22	1.50	7.14		0.00		7.13
as at 31st March,2022	**0.01**	**0.17**	**86.88**	**924.22**	**7.02**	**3.83**	**3.88**	**1,026.03**	**3.64**	**2.09**	**5.73**	**1,031.76**
Charge for the year	-	-	6.54	112.68	0.43	0.47	1.09	121.21	-	0.05	0.05	121.25
Disposals	-	-	-	0.73	0.19	0.10	0.35	1.36	-	-		1.35
as at 31st March,2023	**0.01**	**0.17**	**93.42**	**1,036.17**	**7.26**	**4.20**	**4.62**	**1,145.88**	**3.64**	**2.13**	**5.78**	**1,151.66**
Net Block								-				
as at 31st March,2022	**555.88**	**0.41**	**143.07**	**825.15**	**2.33**	**2.00**	**2.18**	**1,530.98**	**0.00**	**0.13**	**0.13**	**1,531.11**
as at 31st March,2023	**561.83**	**0.41**	**150.57**	**932.05**	**2.55**	**2.12**	**2.42**	**1,651.91**	**0.00**	**0.09**	**0.09**	**1,652.00**
Capital Work in Progress												
as at 31st March,2022												**58.81**
as at 31st March,2023												**21.49**

**'During the previous year the company had reversed impairment provision of ₹21.79 crore, actually provided for in financial year 2019-20 amounting to ₹28.65 crore(Refer note no. 49)

Notes to Financial Statements for the year ended March 31, 2023

Capital- Work-in progess - ageing schedule

Particulars	As at 31st March,2023					As at 31st March,2022				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	21.49	-	-	-	21.49	58.81	-	-	-	58.81
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

* Includes preoperative expenditure pending capitalisation of ₹ 0.23 Crore (₹ 0.18 Crore) (refer note no. 43)

* CWIP does not include any project, completion of which is overdue or has exceeded it's cost as per plan.

Title deeds of Immovable Properties not held in name of the company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a Promoter,director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipments	Freehold Land#	₹ 0.13 Crore (₹ 0.13 Crore)	Govt. of Tamil Nadu	No	FY2003	Company has paid the money and took the possession but the land is still not registered in the name of the company because the documentation formalities is pending at government level

2.79 acre (2.79 acre) land at salem unit.

Notes to Financial Statements for the year ended March 31, 2023

5. Non-current financial assets

5 (i). Investments

A. Quoted (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares Carried at Fair Value through OCI		
3197578 (3197578) equity shares of ₹ 10 each fully paid up in Dalmia Bharat Limited#	627.96	477.94
NIL (122513) equity shares of Rs 10 each, fully paid up of Poddar Pigments Limited	-	3.64

Includes shares acquired through scheme of merger with Company's 100% subsidary (HIL) ,(Refer note no.48)

B. Unquoted (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Investment in Bonds (Carried at amortised Cost)		
20 (20) units of Bank of Baroda Bonds - 8.50% to 8.99%	2.05	2.05
54 (54) units of Canara Bank (Perp.) Bonds - 9.55%	5.39	5.39
5 (5) units of SBI Perpetual Bonds - 7.74%	0.50	0.50
(ii) Others*		
Shares of Co-operative Societies (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((2500))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((2000))	((2000))
	635.90	**489.52**
Aggregate amount of quoted investments and market value thereof	627.96	481.58
Aggregate amount of unquoted investments	7.94	7.94
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). Trade Receivable

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	5.58	0.00
	5.58	**0.00**

5 (iii). Loans

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless stated otherwise)		
Employee and other advances	0.03	0.05
	0.03	**0.05**

5 (iv). Others*

(₹ in crores)

Particulars		As at March 31, 2023		As at March 31, 2022
Fixed deposits with banks (earmarked)		0.86		0.38
(with remaining maturity of more than 12 months)				
Security deposits				
Considered good		2.36		2.12
Considered doubtful	0.01		0.28	
Less : Allowance for bad and doubtful advances	0.01	-	0.28	-
		3.22		**2.50**

Notes to Financial Statements for the year ended March 31, 2023

6. Income Tax Assets (Net)

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Pre paid Taxes	342.34	219.72
Less: Provision for taxes	(276.21)	(209.63)
	66.13	**10.09**

7. Other non current assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless stated otherwise)		
Capital advances	14.90	14.78
Advances other than capital advances	1.87	1.62
Balances with Government departments under protest	1.15	1.75
Unamortized expenses	0.54	0.00
	18.46	**18.15**

8. Inventories

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Refer Note No. 3(J))(As taken, valued and certified by the management)		
Raw materials	99.08	76.46
Work in progress	14.28	14.28
Finished goods (including by- products and goods in transit) (Refer Note no.36)@	880.46	1107.67
Stores, spare & others#	43.46	37.48
	1,037.28	**1235.89**

Note: Inventory is hypothecated as first pari passu charge of bankers for working capital.

#net of provision for non moving inventory ₹2.28 Crores (₹ 2.84 Crores)

@includes material in transit ₹9.91 Crores (₹ 6.96 Crores)

9. Current financial assets

9 (i). Investments

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual funds (quoted)		
(Carried at Fair Value through profit and loss)		
Debt based schemes	100.30	104.27
Total	**100.30**	**104.27**
Aggregate amount of quoted investments and market value thereof	100.30	104.27
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

9 (ii). Trade receivables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	148.96	155.87
	148.96	**155.87**

Notes to Financial Statements for the year ended March 31, 2023

9. Current financial assets (Contd.)

Trade Receivable ageing shedule as at 31.03.2023

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	88.80	52.17	3.66	4.33	-	-	148.96
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-

Trade Receivable ageing shedule as at 31.03.2022

Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	124.34	21.99	4.86	3.62	-	0.79	155.60
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	0.27	0.27
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-

Note: Trade Receivable is hypothecated as first pari passu charge of bankers for working capital.

9 (iii). Cash and cash equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.17	0.18
Balance with banks	65.62	94.43
	65.79	**94.61**

9 (iv). Bank balances other than cash & cash equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Deposits with original maturity of more than 3 months but less than 12 months*	1.84	8.40
- Earmarked balances with banks (Unpaid dividend accounts)	1.07	0.89
	2.91	**9.29**

Notes to Financial Statements for the year ended March 31, 2023

9. Current financial assets (Contd.)

*including earmarked balances of ₹1.16 Cr (₹0.90 Cr) on account of molasses fund

9 (v). Loans

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Loans to employees	0.66	0.31
	0.66	**0.31**

9 (vi). Others

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Interest receivable	0.31	0.23
Interest subvention and buffer subsidy receivable	11.81	7.45
Unbilled revenue*	16.89	15.43
Others	0.34	0.12
	29.35	**23.23**

* Represents bills for the last month of financial year which are subsequently billed in next month.

10 Other current assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Advances other than capital advances		
Production/Export Subsidy Receivable	-	5.62
Deposit and Balances with Government departments and other authorities	4.30	29.04
Other advances	10.55	7.71
	14.85	**42.37**

11. Equity Share capital

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised :		
11,72,26,820 (11,72,26,820) Ordinary equity shares of ₹2/- each	23.45	23.45
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹2/- each	17.05	17.05
	40.50	**40.50**
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.**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs Crores	No. of Shares	Rs Crores
At the beginning of the year	80939303	16.19	80939303	16.19
Changes during the year	-	--	-	-
At the end of the year	80939303	16.19	80939303	16.19

Notes to Financial Statements for the year ended March 31, 2023

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 out of 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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	35876223	44.32%	35876223	44.32%
Dalmia Bharat Limited	14829764	18.32%	14829764	18.32%
Vanika Commercial and Holdings Private Limited	8687305	10.73%	8687305	10.73%

As per records of the Company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.- Nil

(e) Shareholding patterns of Promoters:-

Name of Promoter	As at 31st March 2023		Change during the year		As at 31st March 2022	
	No. of shares	% Shareholding	No. of shares	% Change	No. of shares	% Shareholding
Shri Yadu Hari Dalmia C/O Y. H. Dalmia (Huf)	10	0.00%	-	-	10	0.00%
Smt Kavita Dalmia	37,185	0.05%	37,180	0.05%	5	0.00%
Shri Gautam Dalmia	1,51,990	0.19%	-	-	1,51,990	0.19%
Smt. Anupama Dalmia	11,250	0.01%	-	-	11,250	0.01%
Smt. Sukeshi Dalmia	37,180	0.05%	-	-	37,180	0.05%
Smt. Vaidehi Dalmia	-	0.00%	(37,180)	-0.05%	37,180	0.05%
Smt. Bela Dalmia	10	0.00%	-	-	10	0.00%
Alirox Abrasives Limited	1,20,360	0.15%	-	-	1,20,360	0.15%
Himgiri Commercial Ltd	5	0.00%	-	-	5	0.00%
Valley Agro Industries Limited	5	0.00%	-	-	5	0.00%
Keshav Power Limited	5	0.00%	-	-	5	0.00%
Shree Nirman Limited	5	0.00%	-	-	5	0.00%
Vanika Commercial And Holdings Private Limited	86,87,305	10.73%	-	-	86,87,305	10.73%
Samagama Holdings And Commercial Private Limited	3,58,76,223	44.32%	-	-	3,58,76,223	44.32%
Dalmia Refractories Limited	-	0.00%	-	-	-	0.000%
Dalmia Bharat Limited	1,48,29,764	18.32%	-	-	1,48,29,764	18.32%
Ku. Shrutipriya Dalmia C/O Shrutipriya Dalmia Trust	10	0.00%	-	-	10	0.00%
Shri Brahma Creation Trust	10	0.00%	-	-	10	0.00%
Y.H. Dalmia Parivar Trust	3,27,630	0.40%	-	-	3,27,630	0.40%
J.H. Dalmia Trust	5,55,175	0.69%	-	-	5,55,175	0.69%

Notes to Financial Statements for the year ended March 31, 2023

11. Equity Share capital (Contd.)

(e) Shareholding patterns of Promoters:-

Name of Promoter	As at 31st March 2023		Change during the year		As at 31st March 2022	
	No. of shares	% Shareholding	No. of shares	% Change	No. of shares	% Shareholding
Total Promoter's shareholding	6,06,34,122	74.91%	-	-	6,06,34,122	74.91%

Shareholding patterns of Promoters:-

Name of Promoter	As at 31st March 2023		Change during the year		As at 31st March 2022	
	No. of shares	% Shareholding	No. of shares	% Change	No. of shares	% Shareholding
Shri Yadu Hari Dalmia C/O Y. H. Dalmia (Huf)	10	0.00%	-	0.00%	10	0.00%
Smt Kavita Dalmia	5	0.00%	-	0.00%	5	0.00%
Shri Gautam Dalmia	1,51,990	0.19%	-	0.00%	1,51,990	0.19%
Smt. Anupama Dalmia	11,250	0.01%	-	0.00%	11,250	0.01%
Smt. Sukeshi Dalmia	37,180	0.05%	-	0.00%	37,180	0.05%
Smt. Vaidehi Dalmia	37,180	0.05%	-	0.00%	37,180	0.05%
Smt. Bela Dalmia	10	0.00%	-	0.00%	10	0.00%
Alirox Abrasives Limited	1,20,360	0.15%	-	0.00%	1,20,360	0.15%
Himgiri Commercial Ltd	5	0.00%	-	0.00%	5	0.00%
Valley Agro Industries Limited	5	0.00%	-	0.00%	5	0.00%
Keshav Power Limited	5	0.00%	-	0.00%	5	0.00%
Shree Nirman Limited	5	0.00%	-	0.00%	5	0.00%
Vanika Commercial And Holdings Private Limited	86,87,305	10.73%	-	0.00%	86,87,305	10.73%
Samagama Holdings And Commercial Private Limited	3,58,76,223	44.32%	1,000	0.00%	3,58,75,223	44.32%
Dalmia Refractories Limited	-	0.00%	(1,000)	0.00%	1,000	0.001%
Dalmia Bharat Limited	1,48,29,764	18.32%	-	0.00%	1,48,29,764	18.32%
Ku. Shrutipriya Dalmia C/O Shrutipriya Dalmia Trust	10	0.00%	-	0.00%	10	0.00%
Shri Brahma Creation Trust	10	0.00%	-	0.00%	10	0.00%
Y.H. Dalmia Parivar Trust	3,27,630	0.40%	-	0.00%	3,27,630	0.40%
J.H. Dalmia	-	0.00%	(5,55,175)	-0.69%	5,55,175	0.69%
J.H. Dalmia Trust	5,55,175	0.69%	5,55,175	0.69%	-	0.00%
Total Promoter's shareholding	6,06,34,122	74.91%	-	0.00%	6,06,34,122	74.91%

12. Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
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	-	-
Closing balance	**52.54**	**52.54**

Notes to Financial Statements for the year ended March 31, 2023

12. Other Equity (Contd.)

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Surplus in the statement of profit and loss		
Balance as per last financial statements	1960.56	1737.16
Profit for the year	250.07	295.36
Adjustments pursuant to scheme of arrangement	-	(23.41)
Less: appropriations		
(i) Transfer to general reserve	-	-
(ii) Final/Interim dividend on ordinary shares*	(32.38)	(48.55)
Total Appropriations	**(32.38)**	**(48.55)**
Net surplus in the statement of profit and loss	**2178.25**	**1960.56**
Total reserves and surplus	**2234.86**	**2017.17**
Other Comprehensive Income		
Opening Balance	325.35	279.79
Addition/(reduction) during the year	128.55	(30.79)
Adjustments pursuant to scheme of arrangement	-	76.35
Closing Balance	**453.90**	**325.35**
Total Other Equity	**2688.76**	**2342.52**

Dividend distribution made and proposed*

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash dividends on equity shares declared and paid :		
Final dividend for year ended March 31, 2022: ₹ 1 per share (March 31, 2021: ₹ 3 per share)	8.09	24.28
Interim dividends for the year ended on March 31, 2023: ₹ 3 per share (March 31, 2022: ₹ 3 per share)	24.28	24.28
Total	**32.38**	**48.55**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2023: ₹1 per share (March 31, 2022: ₹ 1 per share) subject to approval of shareholders and not recognised as liability in the Financials	8.09	8.09
Total	**8.09**	**8.09**

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.

5 Other Comprehensive Income includes fair valuation of equity instruments, retirement benefits and profits and losses on account of cash flow hedge for unexecuted contracts.

6 There are no amounts as at the year end which are due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to Financial Statements for the year ended March 31, 2023

13. Non current financial liabilities

13 (i). Borrowings

(₹ in crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
Secured				
Term loans:				
i. From banks	359.13		319.11	
Less: Shown in current maturities of long term borrowings	42.13	317.00	22.81	296.30
ii. From other parties	42.04		72.59	
Less: Shown in current maturities of long term borrowings	33.39	8.65	31.68	40.91
(Refer note no. 17(i) for current maturities)		**325.65**		**337.21**

S. No.	Particulars	As at 31st, March 2023	As at 31st, March 2022	Fixed/ Fluctuating interest rate	Rate of interest
Non Current Borrowings					
A)	**From Bank**				
a)	HDFC Term Loan for Nigohi Distillery	40.00	45.00	Fluctuating	
b)	HDFC Term Loan for Jawaharpur Distillery Expansion-1	8.66	9.75	Fluctuating	
c)	HDFC Term Loan for Jawaharpur Distillery Incineration Boiler	32.30	36.10	Fluctuating	
d)	HDFC Term Loan for Ramgarh Distillery	97.88	103.64	Fluctuating	1 M Tbill + 2.12% p.a. Presently 8.65% p.a.
e)	HDFC Term Loan for Jawaharpur Distillery Expansion-2	43.30	45.85	Fluctuating	
f)	HDFC Term Loan for Jawaharpur Grain Distillery Setup	91.60	29.98	Fluctuating	
g)	HDFC Term Loan for Kolhapur Distillery Expansion	20.54	21.75	Fluctuating	
h)	HDFC Term Loan for Nigohi Distillery Expansion	25.11	27.38	Fluctuating	
	Notional reduction in loan balances due to IND AS adjustments	(0.26)	(0.34)		
	Total	**359.13**	**319.11**		
B)	**From Others**				
a)	Sugar Development Fund Loans	7.40	11.46	Fixed	5.75% p.a.
b)	Soft loan from UP Government (SEFASU 2018 Scheme)	35.02	65.03	Fixed	5.18% p.a.
	Notional reduction in loan balances due to IND AS adjustments	(0.38)	(3.90)		
Total		**42.04**	**72.59**		
Grand Total		**401.17**	**391.70**		

Nature of securities, Interest & repayment Terms.

A) Details of Loans taken from Banks:-

a) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage of immovable fixed asset of Ethanol Plant at Nigohi payable in 40 equal quarterly installments starting from May2021.

b) HDFC Bank Term Loan for Jawahapur distillery is secured by first pari passu charge through hypothecation of movable fixed assets and mortgage immovable fixed asset of Ethanol Plant at Jawaharpur payable in 40 equal quarterly installments starting from May2021.

c) HDFC Bank Term Loan for Jawaharpur distillery incineration boiler is secured by first pari passu charge through hypothecation on movable & immovable fixed asset of distillery plant at Jawaharpur payable in 40 equal quarterly installments starting from

Notes to Financial Statements for the year ended March 31, 2023

13. Non current financial liabilities (Contd.)

May2021.

d) HDFC Bank Term Loan for Ramgarh distillery is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage of immovable fixed asset of distillery plant at Ramgarh payable in 36 equal quarterly installments starting from Dec2022.

e) HDFC Bank Term Loan for Jawaharpur distillery expansion is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage immovable fixed asset of distillery plant at Jawaharpur payable in 36 equal quarterly installments starting from Dec2022.

f) HDFC Bank Term Loan for Jawaharpur grain distillery is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage of immovable fixed asset of Grain Ethanol Plant at Jawaharpur payable in 36 equal quarterly installments starting from June2023.

g) HDFC Bank Term Loan for Kolhapur distillery is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage of immovable fixed asset of distillery plant at Kolhapur payable in 36 equal quarterly installments starting from Dec2022.

h) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation of movable fixed assets & mortgage of immovable fixed asset of distillery plant at Nigohi payable in 36 equal quarterly installments starting from Sep2022.

B) Details of Loans taken from entities other than banks:-

a) Sugar Development Fund (SDF) loans is 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)

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at amortised cost:-		
Other liabilities	-	3.19
	-	**3.19**

14. Non current provisions

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	40.39	38.73
	40.39	**38.73**

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2023 and movement during the year 2022-23.

(₹ in crores)

Particulars	As at March 31, 2023	Profit & loss/ MAT credit utilized	Recognised in other comprehensive income	As at March 31, 2022
Property, plant & equipment including fair valuation of land	236.74	12.94		223.80
Others	27.54	1.00	17.04	9.50
Expenses allowed on payment basis	(12.74)	(3.17)		(9.57)
Deffered tax liability	**251.54**	**10.77**	**17.04**	**223.73**
MAT Credit Entitlement	(34.14)	28.17		(62.31)
Net Deferred tax liability / (asset)	**217.40**	**38.94**	**17.04**	**161.42**

Notes to Financial Statements for the year ended March 31, 2023

B) Major components of deferred tax liabilities as on 31 March 2022 and movement during the year 2021-22.

(₹ in crores)

Particulars	As at March 31, 2022	Recognised in statement of proft & loss	Recognised in other comprehensive income	Opening balalnce HIL as at March 31,2021	As at April 1, 2021
Property, plant & equipment including fair valuation of land	223.80	(11.18)			234.99
Others	9.50	(2.18)			11.67
Expenses allowed on payment basis	(12.84)	(0.13)	(4.01)		(8.70)
HIL Expenses allowed on payment basis as on 31.03.2021	3.27			3.27	-
Deffered tax liability	**223.73**	**(13.49)**	**(4.01)**	**3.27**	**237.96**
MAT Credit Entitlement	(61.64)	35.34			(96.98)
HIL MAT Credit Entitlement as on 31.03.2021	(0.67)			(0.67)	0.00
Net Deferred tax liability / (asset)	**161.42**	**21.85**	**(4.01)**	**2.60**	**140.98**

16. Other non current liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Government Grant		
(Refer note no. 40(b) for movement during the year)	1.14	4.67
	1.14	**4.67**

17. Current financial liabilities

17 (i). Borrowings

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
loans from banks		
Working capital/short term loans	50.00	425.00
Cash credit limit	4.09	1.81
Current maturities of long term borrowings	74.33	54.49
	128.42	**481.30**

(i) Working capital Loan/short term loan and cash credit are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest of 7.45% p.a.

(ii) There are no differences in the figures reported in the quarterly returns / statements filed with the banks vis-à-vis the books of accounts. For the determination of Drawing power for sugar stocks, the Company follow the guidance of the RBI prescribed for commodities covered under selective credit control.

17 (ii). Trade payables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
- Micro and small enterprises *	0.97	0.55
- Others	207.18	250.13
	208.15	**250.68**

Notes to Financial Statements for the year ended March 31, 2023

17. Current financial liabilities (Contd.)

Trade payables ageing schedule:-

Detail of Dues Particulars	Trade Payable ageing shedule as at March 31,2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	0.97	-	-	-	-	0.97
(ii) Others	-	45.84	133.77	1.54	1.62	24.41	207.18
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

Trade payables ageing schedule:-

Detail of Dues Particulars	Trade Payable ageing shedule as at March 31,2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	0.55	-	-	-	-	0.55
(ii) Others	-	49.75	175.41	0.49	0.52	23.96	250.13
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

Note:- Trade payable more than 3 years mainly includes liability provided for in books of account on account of society commission matter pending under litigation.

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable.

(refer note no. 35)

17 (iii). Other financial liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	5.37	6.21
Unclaimed dividend *	1.07	0.89
Accrued salaries & benefits	4.55	3.45
Capital Creditors	17.29	30.45
Security deposits received	2.07	2.18
Others	44.37	40.83
	74.72	**84.01**

* 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)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	17.08	4.35
Statutory dues	5.74	6.54
Government grant (Refer note no. 40(b) for movement during the year)	3.80	3.80
Others	19.60	19.43
	46.22	**34.12**

19. Provisions (current)

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	5.54	6.04
	5.54	**6.04**

Notes to Financial Statements for the year ended March 31, 2023

20. Revenue from operations

(₹ in crores)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers			
Sugar and allied products		2083.52	2087.26
Power		119.38	106.27
Distillery		1013.45	697.73
Others		26.73	11.74
		3243.08	**2903.00**
Sales of services		2.37	1.11
Other operating revenue			
REC Sales & Scrip Sales		5.68	3.48
Export Subsidy by Central Government (refer note no. 40)		-	98.37
Others		0.95	0.90
		3252.08	**3006.86**

Notes: Reconcilation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in crores)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contract price		3245.46	2904.83
Less:Discounts and incentives		-	(0.72)
Revenue from contracts with customers		**3245.46**	**2904.11**
Set out below is the revenue from contracts with customers and reconcilation to statement of profit and loss:			
Total net revenue from contracts from customers		3245.46	2904.11
Add:items not included in disaggregated revenue:			
other operating revenue		6.62	102.75
Revenue as per the statement of profit and loss		**3252.08**	**3006.86**

21. Other income

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income from non current investment	2.88	1.74
Interest Income from bank deposits and others	12.78	1.99
Profit on sale of investments (Including fair valuation changes)	5.14	9.60
Profit on sale of Fixed Assets (net of loss on sale of Fixed Assets)	0.23	0.00
Gain on foreign exchange fluctuation (net of losses)	-	0.38
Government Grant (refer note no. 40)	16.13	5.53
Balances & provisions written back	22.01	35.57
Reversal of provision for doubtful debts	0.36	0.16
Reversal of provision for non moving inventory	0.55	0.68
Scrap sales	9.65	5.39
Rent Received	1.64	1.33
Miscellaneous receipts	4.21	1.60
	75.58	**63.97**

Notes to Financial Statements for the year ended March 31, 2023

22. Cost of raw materials consumed

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sugarcane & Molasses	2004.18	1923.64
Grain	66.39	0.00
Raw Magnesite	10.36	1.47
Others	12.71	2.75
	2093.64	**1927.86**

23. Changes in inventories of finished goods, work in progress

(₹ in crores)

Particulars	Note	For the year ended March 31, 2023		For the year ended March 31, 2022	
(Refer Note No. 3(j))					
Finished goods					
- Closing stock		878.91		1107.67	
- Opening stock		1107.67		1303.70	
			228.76		**196.03**
Work-in-process					
- Closing stock		14.27		14.28	
- Opening stock		14.28		13.03	
			0.01		**(1.25)**
			228.77		**194.78**

24. Employee benefits expense

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus and other payments	170.25	149.08
Contribution to provident fund and other funds	12.51	12.30
Workmen and staff welfare expenses	4.98	4.54
	187.74	165.92
Less:Employee cost captalised (Refer note no.43)	0.51	0.43
	187.23	**165.49**

25. Finance Costs

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- On short term and long term borrowings (including notional interest)	36.86	33.82
- On other borrowings from banks	0.02	0.10
Other borrowing costs	1.88	1.74
Interest on statutory dues	0.11	0.04
	38.87	35.70
Less: Interest cost capitalised (Refer note no.43)	1.19	0.88
	37.68	**34.82**

Notes to Financial Statements for the year ended March 31, 2023

26. Depreciation and amortization expenses

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property plant and equipment	121.20	94.62
Amortization of intangible assets	0.05	0.09
	121.25	**94.71**

27. Other Expenses

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and Fuel	33.39	35.40
Packing Materials	19.71	21.59
Consumption of Stores and Spares Parts	40.01	30.86
Repairs and Maintenance :		
- Plant & Machinery	52.85	42.61
- Buildings	3.31	1.45
- Others	1.04	0.52
Rent	1.18	1.18
Rates and Taxes	7.33	6.63
Insurance	6.13	4.85
Travelling	1.32	0.71
Advertisement and Publicity	0.27	0.26
Management Service Charges	14.27	18.57
Selling Expenses including freight	75.61	78.04
Loss on foreign exchane fluctuation (net of gains)	7.18	0.00
Rebates, Discount and Allowances	0.07	0.07
Director's Sitting Fees	0.15	0.20
Charity and Donation	0.07	0.16
Assets written off / Loss on sale of Fixed Assets	0.06	3.01
Bad Debts written Off	0.29	0.06
Contribution to political parties	0.00	2.25
CSR Expenses (refer note no. 44 (e))	6.97	4.80
Vehicle Hire charges	3.75	3.24
House Keeping Expenses	1.20	0.00
Material Handling charges	8.90	8.48
Professinal Service Charges	4.43	4.35
Subscription and Membership Fees	3.85	1.51
Molasses regulatory fees deposit under protest	4.12	0.00
Security Service Charges	4.79	4.24
Office Maintenance	1.77	0.75
Miscellaneous Expenses	4.24	2.17
	308.26	**277.96**
Less: Expenses Capitalised	2.35	1.84
	305.91	**276.12**

Notes to Financial Statements for the year ended March 31, 2023

28. Tax expense

(₹ in crores)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) The major components of income tax expense for the financial year 2022-23 & 2021-22 are as follows:-			
Statement of profit and loss:			
Current income tax*		94.76	97.76
Deferred tax on timing differences		10.74	(13.49)
Total		**105.50**	**84.27**
Other comprehensive income:			
Income tax relating to items recognised in OCI during the year		(17.04)	4.01
		(17.04)	**4.01**
*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:-			
Accounting profits before tax		355.57	379.63
Applicable tax rate		34.944%	34.944%
Computed tax expense		**124.25**	**132.67**
Tax impact on additions of permanent nature		1.37	1.64
Impact of 80IA deduction for tax holiday period		(19.61)	(6.07)
Reversal of deferred tax liability due to new regime to be opted#		-	(42.46)
Others		(0.51)	(1.51)
		105.50	**84.27**

#Pursuant to introduction of section 115BAA of the Income Tax Act, 1961, the domestic Companies have option to pay corporate Income tax at reduced rate plus applicable surcharge and cess (New Tax Rate) by foregoing certain exemptions / deduction and minimum alternate tax (MAT) credits. In the year ended March 31,2022, the company had made an assessment of the impact of the same and decided to continue with the existing tax structure until utilization of deductions and accumulated MAT credits. Accordingly, Company had re-measured its deferred tax assets and liabilities.

29. Other Comprehensive Income

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) (i) Items that will not be reclassified to profit/(loss)	146.76	(28.91)
Fair valuation of equity instruments	0.49	(4.64)
Retiral benefits component	(17.45)	3.70
(ii) Income tax relating to items that will not be reclassified to profit/(loss)		
(B) (i) Items that will be reclassified to profit/(loss)	(1.66)	(1.23)
Fair value changes on derivatives designated as cash flow hedge	0.42	0.31
(ii) Income tax relating to items that will be reclassified to profit/(loss)	**128.56**	**(30.77)**

30. Earning Per Share

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Continuing operations		
Net profit/(loss) attributable to equity shareholders (₹ in crores)	248.32	307.86
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	30.68	38.04

Notes to Financial Statements for the year ended March 31, 2023

30. Earning Per Share (Contd.)

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diluted	30.68	38.04
(b) Discontinued operation		
Net profit/(loss) attributable to equity shareholders (₹ in crores)	1.75	(12.50)
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	0.22	(1.55)
Diluted	0.22	(1.55)
(c) Continued and Discontinued operations- Combined		
Net profit/(loss) attributable to equity shareholders (₹ in crores)	250.07	295.36
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	30.90	36.49
Diluted	30.90	36.49

31(i) Assets & Liabilities of disposal group classified as held for sale

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Assets for disposal group		
a) Property, plant and equipment	-	26.29
b) Inventories	-	7.72
c) Trade Receivable	-	10.67
c) Other current assets	-	1.56
Total assets	**-**	**46.24**
b) Liabilities for disposal group		
a) Non current provisions	-	0.00
b) Trade payables	-	10.52
c) Other financial liabilities	-	1.38
	-	**11.90**

During the year, Board of directors had approved to close the consumer business division, which was virtually non-operational. Profitability of the same has been shown as profits/(losses) from discontinued operations.

31(ii) Financial performance and cash flows Information

The financial performance and cash flow information presented for the year ended March 31,2023 and March 31,2022 respectively, is as below:

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fiancial performance related to discontinued operations:		
Income		
Revenue from operations	20.24	11.44
Other Income	18.32	0.01
Total Income	**38.56**	**11.45**
Expenses		

Notes to Financial Statements for the year ended March 31, 2023

31(ii) Financial performance and cash flows Information (Contd.)

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed	1.06	0.02
Purchase of traded goods	16.38	17.10
Change in inventories of finished goods, traded goods and work-in-progress	6.65	(6.52)
Employees benefits expense	6.37	12.28
Finance Cost	-	0.00
Depreciation and amortisation expense	-	0.00
Reversal of impairment for Property, plant and equipment	-	0.00
Other Expenditure	5.71	7.78
Total Expenses	**36.17**	**30.66**
Profit/(loss) before tax	2.39	(19.21)
Tax Expense/(Credit)	0.64	(6.71)
Profit/(loss) from discontinued operations	**1.75**	**(12.50)**
Cash Flow disclosure with respect to Asset held for sale		
Net cash flow from operating activities	2.39	(19.21)
Net cash flow (used in) investing activities	-	-
Net cash flow from financing activities	-	-

32 Contingent Liabilities (not provided for) in respect of:

(₹ in crores)

S.N.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Claims against the Company not acknowledged as debts*	189.55	84.19
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	3.70	3.70
c)	Income tax cases	39.87	39.87
d)	Guarantee & LC issued by the Company's banker on behalf of the company#	47.81	54.54

* Includes demand of ₹ 79.88 cr (alongwith estimated interest of ₹103.85 cr) raised by Dist. Collector Salem in respect of mines, against which the Company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand & the writ is pending for final disposal.

#Excludes bank guarantees issued by banks on behalf of the Company against financial liabilities recognised in the books of account.

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

33 Capital and other commitments:

(₹ in crores)

S.N.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	165.64	73.27
b)	Other Commitments	-	-

Notes to Financial Statements for the year ended March 31, 2023

34 Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ in crores)

S.N.	Particulars	As at March 31, 2023	As at March 31, 2022
	Statutory Auditor		
i	Audit Fee (Including Limited Reviews)	0.20	0.20
ii	For tax audit and other services	-	0.04
iii	For reimbursement of expenses	0.01	-

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, 2023	As at March 31, 2022
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	0.97	0.55
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		**0.97**	**0.55**

36 Details of Opening and Closing Inventory of Finished Goods:

(₹ in crores)

S.N.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	**Opening stock**		
	Refractory products	13.12	15.13
	Sugar	914.28	1,187.87
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.62	0.48
	Industrial Alcohol	33.25	26.55
	Others (including bagasse & Molasses)	146.38	73.68
	Total	**1,107.67**	**1,303.73**
b)	**Closing stock**		
	Refractory products	10.18	13.12
	Sugar	671.85	914.28
	Multilayer Ceramic Chip Capacitors	-	0.02
	Power-Banked	0.54	0.62
	Industrial Alcohol	57.62	33.25
	Others (including bagasse & Molasses)	140.27	146.38
	Total	**880.46**	**1,107.67**

Notes to Financial Statements for the year ended March 31, 2023

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.

(v) Segment revenue and segment profit

(₹ in crores)

Particulars	Sugar	Power	Distillery	Others	Total
Revenue					
Gross Revenue from continuing operation					
For the year 31st March 2023	**2,940.55**	**414.89**	**1,013.47**	**29.11**	**4,398.02**
For the year 31st March 2022	(2,868.77)	(377.69)	(699.92)	(13.30)	(3,959.68)
Less: Inter/ Intra Segment Revenue					
For the year 31st March 2023	**851.86**	**294.06**	**0.02**	**-**	**1,145.94**
For the year 31st March 2022	(703.88)	(267.94)	((19.00))	-	(952.82)
Net Revenue from continuing operation					
For the year 31st March 2023	**2,088.69**	**120.83**	**1,013.45**	**29.11**	**3,252.08**
For the year 31st March 2022	(2,164.89)	(109.75)	(718.92)	(13.30)	(3,006.86)
Revenue from discontinued operations					
For the year 31st March 2023					**20.25**
For the year 31st March 2022					(11.44)
Revenue from continued and discontinued operations					
For the year 31st March 2023					**3,272.33**
For the year 31st March 2022					(3,018.30)
Profit before interest and tax from continuing operations					
For the year 31st March 2023	**107.23**	**138.11**	**152.18**	**(6.66)**	**390.86**
For the year 31st March 2022	(179.24)	(107.64)	(149.63)	((2.85))	(433.66)
Less: Finance Cost					
For the year 31st March 2023					**37.68**
For the year 31st March 2022					(34.82)

Notes to Financial Statements for the year ended March 31, 2023

37 Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(₹ in crores)

Particulars	Sugar	Power	Distillery	Others	Total
Less: Exceptional Items					
For the year 31st March 2023					**-**
For the year 31st March 2022					-
Profit before tax from continuing operation					
For the year 31st March 2023					**353.18**
For the year 31st March 2022					(398.84)
Tax expenses from continuing operation					
For the year 31st March 2023					**104.86**
For the year 31st March 2022					(90.98)
Profit after tax from continuing operation					
For the year 31st March 2023					**248.32**
For the year 31st March 2022					(307.86)
Profit before tax from discontinuing operation					
For the year 31st March 2023					**2.39**
For the year 31st March 2022					((19.21))
Tax expenses from discontinuing operation					
For the year 31st March 2023					**0.64**
For the year 31st March 2022					((6.71))
Profit after tax from discontinuing operation					
For the year 31st March 2023					**1.75**
For the year 31st March 2022					((12.50))
Profit after tax from continuing and discontinuing operations					
For the year 31st March 2023					**250.07**
For the year 31st March 2022					(295.36)

(vi) Segment Assets & Liabilities

(₹ in crores)

Particulars	Sugar	Power	Distillery	Others	Total
Segment Assets					
Assets from continuing operations					
As at 31st March 2023	**1,667.62**	**435.89**	**519.09**	**377.54**	**3,000.14**
As at 31st March 2022	(1,900.85)	(397.23)	(505.10)	(368.65)	(3,171.83)
Assets from discontinuing operations					
As at 31st March 2023					**-**
As at 31st March 2022					(46.24)
Unallocable Asset					
As at 31st March 2023					**802.77**
As at 31st March 2022					(604.24)
Total Asset from continuing and discontinuing operations					
As at 31st March 2023					**3,802.91**

Notes to Financial Statements for the year ended March 31, 2023

37 Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(₹ in crores)

Particulars	Sugar	Power	Distillery	Others	Total
As at 31st March 2022					(3,822.31)
Segment Liability					
Liabilities from continuing operations					
As at 31st March 2023	**423.06**	**8.89**	**364.04**	**34.90**	**830.89**
As at 31st March 2022	(874.08)	(6.54)	(340.77)	(23.03)	(1,244.42)
Liabilities from discontinuing operations					
As at 31st March 2023					-
As at 31st March 2022					(11.90)
Unallocable Liability					
As at 31st March 2023					**267.07**
As at 31st March 2022					(207.28)
Total Liability from continuing and discontinuing operations					
As at 31st March 2023					**1,097.96**
As at 31st March 2022					(1,463.60)

(vii) Other Information

(₹ in crores)

Particulars	Sugar	Power	Distillery	Others	Total
Depreciation / Amortisation from continuing operations					
For the year 31st March 2023	**63.31**	**28.73**	**28.53**	**0.68**	**121.25**
For the year 31st March 2022	(54.02)	(23.30)	(16.62)	(0.77)	(94.71)
Depreciation / Amortisation from discontinuing operations					
For the year 31st March 2023				-	-
For the year 31st March 2022				(0.00)	(0.00)
Depreciation / Amortisation from continuing and discontinuing operations					
For the year 31st March 2023					**121.25**
For the year 31st March 2022					(94.71)
Capital Expenditure					
For the year 31st March 2023	**88.71**	**53.97**	**93.87**	**5.90**	**242.45**
For the year 31st March 2022	(143.68)	(51.72)	(130.15)	(0.30)	(325.85)

(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	FY 2022-23	FY 2021-22
Revenue from continuing operation		
Domestic	2,615.90	2,249.85
Overseas	636.18	757.01
Total	**3,252.08**	**3,006.86**

Note: There are no non-current assets located outside India.

Notes to Financial Statements for the year ended March 31, 2023

37 Disclosure as required by Ind AS 108, Operating Segments (Contd.)

(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, 2023 and March 31, 2022.

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.

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. Net Employee Benefit Expense

(₹ in crores)

Particulars	2022-23	2021-22
	Gratuity	Gratuity
Current Service cost	3.58	3.47
Net Interest cost	2.22	1.75
Expenses Recognized in the statement of Profit & Loss	**5.80**	**5.22**

Amounts to be recognized in Other Comprehensive Income

(₹ in crores)

Particulars	2022-23	2021-22
	Gratuity	Gratuity
Actuarial (gain)/loss on assets	0.00	0.00
Actuarial (gain)/loss on liabilities	(0.49)	4.64
Net (gain)/loss to be recognized in Other Comprehensive Income	**(0.49)**	**4.64**

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity

(₹ in crores)

Particulars	2022-23	2021-22
	Gratuity	Gratuity
Defined benefit obligation	55.62	53.46
Fair value of plan assets	21.22	20.09
Net Asset / (Liability) recognized in the Balance Sheet	(34.40)	(33.37)

Notes to Financial Statements for the year ended March 31, 2023

38 Employee Benefits - Gratuity & Post employement benefits (Contd.)

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in crores)

Particulars	2022-23	2021-22
	Gratuity	Gratuity
Opening defined benefit obligation	53.46	47.80
Interest cost	3.55	2.94
Current service cost	3.58	3.47
Benefit paid	(5.01)	(5.48)
Actuarial (gains)/losses on obligation	0.04	4.64
Acquisition Adjustment	0.00	0.09
Closing defined benefit obligation	55.62	53.46

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in crores)

Particulars	2022-23	2021-22
Opening fair value of plan assets	20.09	19.31
Actual return on Plan Assets	1.33	1.19
Contribution during the year	4.35	5.07
Benefit paid	(4.55)	(5.48)
Closing fair value of plan assets	21.22	20.09

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2022-23	2021-22
Discount rate (%)	7.40%	6.65%
Expected salary increase (%)	7.00%	7.00%
Demographic Assumptions	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement Age (year)	60 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	2022-23	2021-22
Pension Fund/Superannuation funds/ESI/EPF	6.80	6.81

(vi) Sensitivity analysis of the defined benefit obligation: (₹ in crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Impact on defined benefit obligation	59.32	56.56	52.33	50.68
Impact on defined benefit obligation (change in %)	6.60%	5.80%	-5.90%	-5.20%

Notes to Financial Statements for the year ended March 31, 2023

38 Employee Benefits - Gratuity & Post employement benefits (Contd.)

(₹ in crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Impact on defined benefit obligation	52.29	50.66	59.30	56.52
Impact on defined benefit obligation (change in %)	-6.00%	-5.20%	6.60%	5.70%

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 Gautam Dalmia - Managing Director, Late Shri Jai Hari Dalmia (upto 08.07.2021)– Vice-Chairman & Managing Director, Shri B B Mehta -Whole Time director, Shri Anil Kataria- Chief Financial Officer & Ms. Aashhima V Khanna-Company Secretary

Independent directors - Shri P. Kannan, Ms. Amita Misra and Shri Rajeev Bakshi

Non-Executive directors - Shri T. Venkatesan

Relatives of Key Management Personnel

Shri Yadu Hari Dalmia, Shri Raghu Hari Dalmia,Ms Kavita Dalmia and Mr. Abhishek Dua (w.e.f 15.03.2022)

ii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited	Dalmia DSP Limited	Dalmia Bharat Foundation
Dalmia Cement (Bharat) Limited	Alsthom Industries Limited	Avanee Foundation
Dalmia Bharat Refractories Limited	Dalmia seven Refractories limited	Dalmia Family Trust
Calcom Cement India Limited	Hippostores Technology Private limited	Rama Investment Company Limited
Dalmia Institute of Scientific & Industrial Research	Dalmia Bharat Green Vision limited	Murli Industries limited

b) The following transactions were carried out with related parties in the ordinary course of business: (₹ in crores)

Nature of transaction	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
A. Sale of goods and services			
a) Dalmia Cement (Bharat) Limited		**8.01**	**8.01**
		(4.10)	(4.10)
b) Dalmia Bharat Limited		**0.82**	**0.82**
		(0.32)	(0.32)

Notes to Financial Statements for the year ended March 31, 2023

39 Related party transaction (Contd.)

(₹ in crores)

business:

Nature of transaction	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
c) Calcom Cement India Limited		**0.55**	**0.55**
		(0.15)	(0.15)
d) Dalmia Bharat Foundation		**0.07**	**0.07**
		(0.05)	(0.05)
e) Dalmia DSP Limited		**0.02**	**0.02**
		(0.06)	(0.06)
f) Alsthom Industries Limited		**0.07**	**0.07**
		(0.02)	(0.02)
g) Late Shri Jai Hari Dalmia	-		-
	(0.02)		(0.02)
h) Shri Yadu Hari Dalmia	-		-
	(0.05)		(0.05)
i) Dalmia Family Trust		-	-
		(0.01)	(0.01)
j) Dalmia Seven Refractories limited		**0.26**	**0.26**
		(0.01)	(0.01)
k) Murli Industries limited		-	-
		(0.19)	(0.19)
l) Dalmia Bharat Refractories Limited		**16.04**	**16.04**
		(1.20)	(1.20)
m) Avanee Foundation		-	-
		(0.01)	(0.01)
n) Hippostores Technology Private limited		**0.12**	**0.12**
		(0.08)	(0.08)
o) Dalmia Bharat Green Vision limited		**0.26**	**0.26**
		(0.03)	(0.03)
p) Rama Investment Company Limited		**0.05**	**0.05**
		-	-
B. Reimbursement of expenses – payable		-	-
a) Dalmia Institute of Scientific & Industrial Research		**0.06**	**0.06**
		(0.08)	(0.08)
b) Dalmia Bharat Foundation (For CSR Expenditure)		**6.97**	**6.97**
		(3.75)	(3.75)
c) Dalmia Cement Bharat Ltd		**0.08**	**0.08**
		-	-
d) Shri Raghu Hari Dalmia	**0.57**		**0.57**
	(0.20)		(0.20)
e) Ms Kavita Dalmia	**0.19**		**0.19**
	-	-	-
f) Shri B B Mehta	**0.02**		**0.02**
	-	-	-
C. Purchase of goods and services			-
a) Dalmia Bharat Limited		**9.67**	**9.67**
		(11.75)	(11.75)
b) Dalmia Cement (Bharat) Limited		**5.38**	**5.38**
		(7.89)	(7.89)

Notes to Financial Statements for the year ended March 31, 2023

39 Related party transaction (Contd.)

(₹ in crores)

business:

Nature of transaction	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
c) Dalmia Bharat Refractories Limited		**5.64**	**5.64**
		(0.02)	(0.02)
D. Salary and Perquisites			
a) Late Shri Jai Hari Dalmia	-		-
	(3.44)		(3.44)
b) Shri Gautam Dalmia	**13.63**		**13.63**
	(12.13)		(12.13)
c) Shri Raghu Hari Dalmia	**1.50**		**1.50**
	(1.50)		(1.50)
d) Shri B B Mehta	**4.36**		**4.36**
	(4.16)		(4.16)
e) Shri Anil Kataria	**1.14**		**1.14**
	(0.97)		(0.97)
f) Ms. Aashhima V Khanna	**0.08**		**0.08**
	(0.09)		(0.09)
g) Mr. Abhishek Dua	**0.10**		**0.10**
	(0.01)		(0.01)
E. Dividend Received			
a) Dalmia Bharat Limited		**2.88**	**2.88**
		(1.01)	(1.01)
F. Dividend paid			
a) Dalmia Bharat Limited		**5.93**	**5.93**
		(8.90)	(8.90)
G. Sitting fees to directors			
a) Shri P. Kannan	**0.05**		**0.05**
	(0.06)		(0.06)
b) Shri T. Venkatesan	**0.02**		**0.02**
	(0.03)		(0.03)
c) Ms. Amita Misra	**0.05**		**0.05**
	(0.07)		(0.07)
d) Shri Rajeev Bakshi	**0.02**		**0.02**
	(0.04)		(0.04)
H. Commission to independent directors			
a) Shri P. Kannan	**0.10**		**0.10**
	(0.10)		(0.10)
b) Ms. Amita Misra	**0.10**		**0.10**
	(0.10)		(0.10)
c) Shri Rajeev Bakshi	**0.15**		**0.15**
	(0.80)		(0.80)
I. Other expenditure			
a) Shri Yadu Hari Dalmia	-		-
	(0.03)		(0.03)

Notes:-

i) Above transactions are exclusive of recoverable taxes, wherever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall Company basis.

Notes to Financial Statements for the year ended March 31, 2023

39 Related party transaction (Contd.)

iii) The Transactions with related parties have been entered at arm's length prices.

c) Balances Outstanding at Year End:

(₹ in crores)

Nature of transaction	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
A. Amounts payable			
a) Dalmia Bharat Limited		**0.87**	**0.87**
		(1.20)	(1.20)
b) Dalmia Cement (Bharat) Limited		**0.30**	**0.30**
		(0.65)	(0.65)
c) Dalmia Institute of Scientific & Industrial Research		**0.02**	**0.02**
		-	-
d) Dalmia Bharat Refractories limited		**3.94**	**3.94**
		-	-
B. Amounts Receivable			
a) Dalmia Bharat Limited		**0.13**	**0.13**
		(0.05)	(0.05)
b) Dalmia Cement (Bharat) Limited		**0.15**	**0.15**
		(0.57)	(0.57)
c) Calcom Cement India Limited		**0.08**	**0.08**
		(0.03)	(0.03)
d) Murali Industries limited		-	-
		(0.04)	(0.04)
e) Dalmia Bharat Green Vision limited		**0.00**	**0.00**
		(0.01)	(0.01)
f) Dalmia Bharat Refractories limited		**-**	**-**
		(0.22)	(0.22)

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	2022-23	2021-22
Revenue related government grant			
Export subsidy (MAEQ Quota)	Shown as a part of other Operating Income	0.00	98.37
Interest subvention on Ethanol capacity loan	Shown under Government Grant under Other Income	12.61	1.66
Deffered government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	3.52	3.86

b) Movement of deferred government grants is provided here below:

(₹ in crores)

Particulars	Treatment in accounts	As at 2022-23	As at 2021-22
Opening balance		8.47	12.33
Add: Increase during the year		-	-
Less: Released to the Statement of Profit & Loss		3.52	3.86
Closing balance		**4.95**	**8.47**
Current		3.80	3.80
Non-current		1.15	4.67

Notes to Financial Statements for the year ended March 31, 2023

41 Leases

Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

Payments recognised as expense

(₹ in crores)

Particulars	2022-23	2021-22
Minimum lease payment	1.18	1.18

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.

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	2022-23	2021-22
Carried forward as part of Capital Work in Progress (A)	**0.18**	**0.14**
Expenditure incurred during the year		
Power & Fuel	1.01	0.24
Employee Cost	0.51	0.43
Finance Cost	1.19	0.88
Consultancy Charges	0.28	0.55
Miscellaneous Expenses	1.06	1.05
Total Expenditure incurred during the year (B)	**4.05**	**3.15**
Total Pre-operative Expenditure (A + B)	**4.23**	**3.29**
Less : Capitalised as Property, plant and equipment	4.00	3.11
Carried forward as part of Capital Work in Progress	**0.23**	**0.18**

44 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:

S. N.	Name of the Investee	Opening Balance	Investment made	Investment merged	Closing Balance	Purpose
1	Dalmia Bharat Limited*	141.16	-	-	141.16	Long term Investment

* excluding fair valuation impact.

(d) Particulars of Security Deposit : NIL

(e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below

Notes to Financial Statements for the year ended March 31, 2023

44 Discosure Required by Companies Act 2013 (Contd.)

(i) Detail of CSR Expenditure

(₹ in crores)

Particulars	2022-23	2021-22
a) Gross amount required to be spent by the Company during the year	6.47	5.27
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	6.47	4.81
c) Shortfall at the end of the year	-	0.46
d) Total of previous year shortfall	0.50	-
Total	**6.97**	**5.27**

Financial year	Amount unspent on corporate social responsibility activities for ongoing projects	Amount transferred to Special Account within 30 days from the end of the financial year	Amount transferred after due date
2022-23	-	-	
2021-22	0.46	0.50	Not applicable

Provision made for Corporate Social Responsibility

Particulars	Year ended March 2022-23	Year ended March 2021-22
Opening balance of Provision	-	-
Changes during the year	-	-
Closing balance of provision	-	-

Note:-

Amount is unspent due to allocation of funds to long term projects and is expected to get incurred in next year.

The Company has deposited the amount of shortfall to CSR unspent account within due time limits.

(ii) Various heads under which CSR Expenditure is incurred

(₹ in crores)

Description	Relevant Clause of SCH VII of Companies Act, 2013	2022-23	2021-22
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	3.59	1.56
Skill Training & Livelihood	Clause No. II & III	1.72	1.07
Soil, Water & Energy Conservation	Clause No. IV	1.66	1.12
		6.97	**3.75**
Expenditure done directly by the Company			
Social Development	Clause No. I & X	-	0.13
Infrastructuer for Covid Care	Clause No. XII	-	0.81
Programme Execution		-	0.12
Total Expenditure by the Company		**6.97**	**4.81**

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.

Notes to Financial Statements for the year ended March 31, 2023

45 Financial Risk Management (Contd.)

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) As at 31-Mar-23	(₹ In crores) As at 31-Mar-23	Amount (USD in Crores) As at 31-Mar-22	(₹ In crores) As at 31-Mar-22
Forward Contracts	-	-	3.10	237.13

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) As at 31-Mar-23	(₹ In crores) As at 31-Mar-23	Amount (USD in Crores) As at 31-Mar-22	(₹ In crores) As at 31-Mar-22
Not Later than one months	-	-	0.14	10.85
Later than one month and not later than three months	-	-	1.89	144.52
Later than three months and not later than One year	-	-	1.07	81.76

During the year ended March 31, 2023, 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, 2023 are expected to occur and reclassified to statement of profit and loss within 1 year.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Other comprehensive income - cash flow hedge for the year ended:-

(₹ in crores)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Gain / (Loss)		
Balance at the beginning of the year	0.96	1.89
Gain / (Loss) reversed in other comprehensive income during the period	(1.66)	(2.90)
Tax impact on above	0.70	1.01
Gain / (Loss) recognized in other comprehensive income during the period	-	1.66
Tax impact on above	-	(0.70)
Balance at the end of the year	**-**	**0.96**

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Notes to Financial Statements for the year ended March 31, 2023

45 Financial Risk Management (Contd.)

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, 2023	7.99	140.97	148.96
As at March 31, 2022	9.54	146.33	155.87

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 31-Mar-2023	As at 31-Mar-2022
Total current assets	1,400.10	1,665.84
Total current liabilities	513.38	906.48
Current ratio	**2.73**	**1.84**

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, 2023				
(i) Borrowings*	128.42	176.90	148.74	454.06
(ii) Other Financial Liability	74.72			74.72
(iii) Trade and other payble	208.15			208.15
II As at 31st March, 2022				
(i) Borrowings*	481.30	185.32	151.89	818.51
(ii) Other Financial Liability	87.20			87.20
(iii) Trade and other payble	250.67			250.67

* Includes short term borrowings & Long term borrowings payable after 1 year.

D Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:- (₹ in crores)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Total long term borrowing on fluctuation rates	359.39	319.44
Increase in profit before tax with each 1% reduction in interest rates	3.59	3.19
Decrease in profit before tax with each 1% increase in interest rates	(3.59)	(3.19)

Notes to Financial Statements for the year ended March 31, 2023

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 major 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 31-Mar-2023	As at 31-Mar-2022
Non-current borrowings (note no.13 (i))	325.65	337.21
Current borrowings Incuding current maturities (note no.17 (i))	128.42	481.30
Total debt	**454.07**	**818.51**
Less: Cash and cash equivalents & current Investments (note no. 9 (i),(iii)&(iv))	(169.00)	(208.17)
Net debt	**285.07**	**610.34**
Total equity (note no.11 & 12)	**2704.95**	**2358.71**
Net debt to equity ratio	0.11	0.26
Long term debt equity ratio	0.12	0.14

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

(₹ in crores)

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			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	100.30	100.30	104.27	104.27
2	**Financial assets designated at fair value through other comprehensive income**					
	(i) Investment In Listed Equity shares	Level 1	627.96	627.96	481.58	481.58
3	**Financial assets designated at amortised cost**					

Notes to Financial Statements for the year ended March 31, 2023

47 (Contd.)

(₹ in crores)

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(i) Investment in Bonds	Carried at amortised cost.	7.94	7.94	7.94	7.94
	(ii) Other Bank Balances	Level 2	2.91	2.91	9.29	9.29
	(iii) Cash & Cash Equivalents	Level 2	65.79	65.79	94.61	94.61
	(iv) Trade receivables	Carried at amortised cost.	148.96	148.96	155.87	155.87
	(v) Loans and other receivable (Non- Current)		3.24	3.24	2.55	2.55
	(vi) Loans and other receivable (Current)		30.01	30.01	23.54	23.54

(₹ in crores)

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial liability designated at amortised cost**	Carried at amortised cost.				
	Borrowings - Non Current		325.65	325.65	337.21	337.21
	Other financial liability - Non Current		-	-	3.19	3.19
	Borrowings - Current		128.42	128.42	481.30	481.30
	Other financial liability - Current		74.72	74.72	84.01	84.01
	Trade payables		208.15	208.15	250.68	250.68
	Total		**736.94**	**736.94**	**1,156.39**	**1,156.39**

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 choose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

48. The Hon'ble National Company Law Tribunal, Chennai Bench by an order dated June 10, 2022, has sanctioned the Scheme of Arrangement (the "Scheme") filed by Dalmia Bharat Sugar Industries Limited "DBSIL" and Himshikhar Investment Limited for transfer and vesting tranferror Company i.e. Himshikhar Investment Limited (HIL) into the Resulting Company i.e. Dalmia Bharat Sugar and Industries Limited with effect from April 01, 2021, being the appointed date as per the Scheme. The certified true copy of the said Order has been received and filed with the Ministry of Company Affairs on July 1,2022. The effect of amalgamation as per "pooling of interest method", at carrying value adjusted for alignment for accounting policies of the Company has been considered in the books and the figures for the comparative year ended March 31, 2022, have been restated as per the requirements of Indian Accounting Standard (IND AS) 103 and in accordance with the accounting treatment specified in the Scheme. Accordingly, the figures for the year ended March 31, 2022 include the results of the Company and its amalgamated Company. The previous year's figures in the standalone financial statement have been accordingly restated from April 1, 2021.

Notes to Financial Statements for the year ended March 31, 2023

48 (Contd.)

In terms of the Scheme, there is no consideration paid by the Company as the entire issue, subscribed and paid up share capital of HIL is held by DBSIL and its nominees. Upon the scheme becoming effective, investment in the share capital of HIL held by DBSIL shall stand cancelled accordingly.

Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

₹(In crores)

Particulars	As at April 01, 2021
ASSETS	
Non-current assets	
a) Property, Plant and Equipment	-
b) Capital Work in Progress	-
c) Intangible assets	-
d) Financial Assets	-
i) Investments	3.14
ii) Loans	-
iii) Other Financial Assets	-
e) Other Non Current Assets	-
Current assets	
a) Inventory	-
b) Financial Assets	
i. Investments	208.29
ii. Trade Receivables	-
iii. Cash and Bank balances	0.29
iv. Loans	-
v. Bank Balances	-
vi. Other Financial Assets	-
c) Current Tax Assets (Net)	0.02
d) Other Current Assets	-
Total assets (a)	**211.74**
LIABILITIES	
Non-current liabilities	
a) Financial Liabilities	
a. Long-term borrowings	150.00
b. Other Financial liabilities	-
b) Long Term Provisions	-
c) Deferred Tax Liabilities (Net)	2.59
d) Other Non Current Liabilities	-
Current liabilities	
a) Financial Liabilities	
a. Short-term borrowings	1.50
b. Trade payables	0.00
c. Other Financial liabilities	-
b) Short Term Provisions	0.27
C) Other Current Liabilities	0.00
Total liabilities (b)	**154.36**
Net assets/ (liabilities) acquired on amalgamation (a) - (b) = (c)	**57.38**
Cost of investment in merged entity (d)	0.45
Net impact in retained earnings (c) - (d) + (e) - (f)	**56.93**

Notes to Financial Statements for the year ended March 31, 2023

49 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate,

(iii) Growth Rates and

(iv) Capital Expenditure

50 Other Statutory information

i) The Company did not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.

ii) The Company did not have any transactions with Companies struck off.

iii) Detail of charges not satisfied as on 31st March 2023

S. No.	Charge in favour of	Amount(₹ In Crores)	Status
1	IFCI Limited- (2 charges)	0.65	Loan fully paid but NOC awaited
2	IFCI Limited- (2 charges)	46.10	Loan fully paid and NOC received

iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

v) The Company has not advanced or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) The Company did not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

viii) The Company has not declared willful defaulter by any banks or any other financial institution at any time during the financial year.

viii) Ratio analysis alongwith reasoning for more than 25% changesRatio

Notes to Financial Statements for the year ended March 31, 2023

50 Other Statutory information (Contd.)

S. no	Ratios	Formulae	For the year ended 31st March 2023	For the year ended 31st March 2022	Deviation
a)	Current Ratio	Current Asset/Current liabilities	2.73	1.84	48%
Comment:- Current ratio has substantially improved due to lower working capital blockade in FY 23 vis -a- vis FY 22.					
b)	Debt-Equity Ratio	Debt/Equity	0.15	0.17	-12%
c)	Debt service coverage Ratio	(PBT+Dep+Int on TL) / [Interest +repayment (incl prepayments)]	5.51	3.54	55%
Comment:- Debt service coverage ratio is substantially higher due to lower repayments in FY 23 vis -a- vis FY 22.					
d)	Return on Equity Ratio	Net Income/Average Shareholder Equity	0.10	0.13	-27%
Comment:- Return on Equity ratio has reduced mainly due to increase in shareholder fund on account of notional gain increased due to fair valuation of long term investment in FY 23 vis -a- vis FY 22.					
e)	Inventory Turnover Ratio	Revenue from operation / Average Inventory { (Closing Inventory + Opening Inventory)/2}	2.86	2.30	24%
f)	Trade Receivable turnover Ratio	Total Sales / Average Accounts Receivable { (Closing Accounts Receivable + Opening Accounts Receivable)/2}	21.34	22.18	-4%
g)	Trade Payable turnover Ratio	Net Credit purchases/ Average account payable	9.13	7.43	23%
h)	Net Capital turnover Ratio	Net annual sales/ Shareholders Equity	1.28	1.35	-5%
I)	Net proft Ratio	(Net profit Margin Revenue-Cost)/Revenue	0.08	0.10	-21%
J)	Return to capital employed	EBIT/Capital employed	0.13	0.15	-16%
K)	Return on investment	Net profit/Total Assets*100	6.58	7.73	-15%

51 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.

52 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For Dalmia Bharat Sugar and Industries Limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
Whole Time Director
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date: May 19, 2023

Notes

Corporate Information

Board of Directors

Rajeev Bakshi
Chairman

Gautam Dalmia
Managing Director

Amita Misra

P. Kannan

T. Venkatesan

Bharat Bhushan Mehta
Whole Time Director & Chief Executive Officer

Pankaj Rastogi
Chief Executive Officer - Sugar Business

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

Union Bank of India (Formerly Corporation Bank)

Yes Bank Limited

IDBI Bank Limited

Registered Office

Dalmiapuram, district Tiruchirapalli
Tamil Nadu - 621651

Corporate Office

11th & 12th floor, Hansalaya Building,
15, Barakhamba Road,
New Delhi - 110001

Registrar and Share Transfer Agent

Kfin Technologies Limited
Seleium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad - 500032