



# RESILIENCE

Dwarikesh Sugar Industries Limited  
Annual Report 2020-21

## Forward-looking statement

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

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

## Contents

<b>02</b> Corporate snapshot	<b>06</b> Our inspiring journey across 25 years	<b>08</b> How we performed in the last few years	<b>10</b> How we grew our operations across the years
<b>12</b> Chairman's overview	<b>14</b> Performance review, 2020-21	<b>18</b> Personality	<b>20</b> What Dwarikesh's employees have to say about its culture
<b>22</b> Value-creation overview	<b>24</b> Our business model	<b>26</b> Our strategy	<b>27</b> The value we created over 25 years
<b>28</b> Emergency preparedness	<b>30</b> Culture	<b>32</b> Cane management	<b>34</b> How we strengthened farmer value through the years
<b>35</b> People management	<b>38</b> How we protected the environment through responsible HSE standards	<b>43</b> How we protected the communities in the vicinity of our presence	<b>45</b> Management discussion and analysis
<b>61</b> Notice	<b>77</b> Directors' report	<b>125</b> Financial statements	





# RESILIENCE

For around 25 years, Dwarikesh Sugar Industries Limited addressed a number of industry variables to endure and excel.

The performance of the company during the year under review was no different as the company addressed a large national sugar inventory with timely exports and shifted a part of its sugar production to the manufacture of ethanol.

The ability to respond to challenges comes down to one over-arching Dwarikesh attribute that helped the company counter the cyclicity of its business.

*Resilience.*

**Dwarikesh Sugar Industries Limited.**

**A boutique sugar cum derivatives company operating out of three units in Uttar Pradesh.**

**Recognised as one of the most efficient players in India's sugar sector.**

**Sustained by perseverance leading to higher standards.**

**Driven by passion leading to outperformance.**





## Our vision

<ul style="list-style-type: none"><li>• To be a torchbearer of the sugar industry and rewrite the rules of running the sugar business.</li></ul>	<ul style="list-style-type: none"><li>• To establish itself as a market leader in the sugar industry.</li></ul>	<ul style="list-style-type: none"><li>• To be an archetype of international quality standards.</li></ul>	<ul style="list-style-type: none"><li>• To become a large sugar conglomerate with interests in synergistic businesses.</li></ul>
	<ul style="list-style-type: none"><li>• To ensure that the name of the Company becomes synonymous with good corporate governance and transparency.</li></ul>	<ul style="list-style-type: none"><li>• To be a paragon of virtue and righteous corporate with a human face.</li></ul>	<ul style="list-style-type: none"><li>• To contribute in bringing about a metamorphosis in the lives of the have-nots.</li></ul>



## Our mission

<ul style="list-style-type: none"><li>• Produce sugar of the highest quality and be the benchmark for the industry to follow.</li></ul>	<ul style="list-style-type: none"><li>• Achieve growth every year with optimum technical efficiency and minimum cost of production.</li></ul>	<ul style="list-style-type: none"><li>• Ensure maximum customer satisfaction and employee/farmer welfare.</li></ul>	<ul style="list-style-type: none"><li>• Protect the environment and uphold the highest standards of integrity, values, along with passion for excellence and respect for all, while striding towards achieving our objectives.</li></ul>
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## Background

The Company was founded in 1993 by Shri G. R. Morarka. He was driven by the objective to create one of the most respected sugar companies in India. Dwarikesh Sugar has emerged as one of the most sustainable multi-product sugar companies in India, manufacturing sugar, ethanol and co-generated power.



## Manufacturing facilities

The Company has three manufacturing units spread across two regions in Uttar Pradesh. The Dwarikesh Nagar and Dwarikesh Puram plants are located 45 kms apart in Bijnor district; the Dwarikesh Dham is located in Bareilly district.



## Capacities

The Company's first sugar manufacturing capacity was established in 1995 in Bijnor, Uttar Pradesh, with a cane crushing capacity of 2,500 tonnes per day. The Company's aggregate crushing capacity was 21,500 tonnes of cane per day at the close of 2020-21. Besides, the Company possessed an installed capacity to manufacture 130 kilolitres of industrial alcohol per day and co-generated 91 MW of renewable power.

Capacity as on 31 <sup>st</sup> March, 2021	Dwarikesh Nagar (Bijnor)	Dwarikesh Puram (Bijnor)	Dwarikesh Dham (Bareilly)	Aggregate
Sugar (tonnes of cane per day)	6,500	7,500	7,500	21,500
Cogeneration (megawatts)	22	33	36	91
Distillery (litres per day)	1,30,000	-	-	-



## People

The Company was an employer of 764 permanent non-seasonal talents as on 31<sup>st</sup> March, 2021 across its manufacturing facilities and offices. A large proportion of employees were based at the rural manufacturing plants.



## Products

The Company is engaged in the manufacture of sugar, ethanol (and related products) and power.





## Leadership

Shri G. R. Morarka <i>Executive Chairman</i>	Shri Vijay S. Banka <i>Managing Director</i>	Shri B. J. Maheshwari <i>Managing Director and CS-cum-CCO</i>
<ul style="list-style-type: none"><li>• More than two decades of sectoral experience</li><li>• Commerce graduate and ICWA Inter pass-out</li><li>• Hands-on engagement</li><li>• Respected industry statesman; received Indira Gandhi Priyadarshini Award, multiple Bhamashah Awards, Indira Gandhi Sadbhavna Award and Swami Krishnanand Saraswati Purashkar, among others</li></ul>	<ul style="list-style-type: none"><li>• Over three decades of experience in the areas of finance and strategy</li><li>• Chartered accountant</li><li>• Employed with the Company since 2007</li><li>• Whole Time Director and CFO from 2009 to 2018.</li><li>• Managing Director since 2018</li></ul>	<ul style="list-style-type: none"><li>• Over three decades of experience in legal, taxation, secretarial and administrative areas</li><li>• Chartered Accountant and Company Secretary</li><li>• Employed with the Company since 1994</li><li>• Whole Time Director and CS-cum-CCO from 2009 to 2018.</li><li>• Managing Director and CS-cum-CCO since 2018</li></ul>



## Resource availability

The Company works with nearly 1.40 lakh farmers across 1.20 lakh hectares of command areas across its three locations. The Company increased cane procurement from 193.90 lakh quintals in sugar season (SS) 2007-08 to 378.44 lakh quintals in SS 2020-21, strengthening the local economy.



## Listing

The Company is listed on the National Stock Exchange and Bombay Stock Exchange. As on 31<sup>st</sup> March, 2021, it enjoyed a market capitalisation of ₹580 crore.

Our inspiring  
journey across

**25** years

**1993**

Established the Company.

**1994**

Cane development initiatives undertaken.

**1995**

Commissioned the Dwarikesh Nagar plant with a crushing capacity of 2,500 tonnes of cane per day (TCD) and a co-generation capacity of 6 MW. Undertook road and infrastructure building initiatives around the plant.

**1996**

Provided mechanical operational equipment to farmers to encourage cane planting. Introduced a tubewell scheme for the benefit of farmers. Administered a balanced doze of fertilisers to farmers to secure their produce. Discouraged the use of rejected cane varieties.

**2002**

Increased crushing capacity at the Dwarikesh Nagar plant to 6,500 TCD. Commenced the supply of surplus co-generated power to the state electricity grid.



## 2004

Raised ₹32.5 crore through an IPO. Increased co-generation capacity at the Dwarikesh Nagar plant to 17MW. Commenced the supply of surplus 8 MW power to the state electricity grid from the Dwarikesh Nagar plant.

## 2005

Commissioned a distillery at the Dwarikesh Nagar plant with a capacity of 30,000 litres/ day. Commissioned the Dwarikesh Puram plant with a crushing capacity of 7,500 TCD and a co-generation capacity of 9MW. Mobilised ₹54 crore additional net worth through a GDR.

## 2006

Introduced CO 0238 variety of sugarcane across the Company's command areas. Encouraged wide row spacing and inter-cropping practices among farmers.

## 2007

Commissioned the Dwarikesh Dham plant with crushing capacity of 7,500 TCD and a co-generation capacity of 36MW (surplus of 24MW). Increased co-generation capacity at the Dwarikesh Puram plant to 33 MW, resulting in a surplus of 24MW. Provided coragen to farmers to counter crop disease.

## 2008

Commenced supplying surplus power to the state electricity grid from the Dwarikesh Puram and Dwarikesh Dham plants.

## 2016

De-bottlenecked distillery capacity (Dwarikesh Nagar) by commissioning a bio-methanated spent wash plant. Mobilised ₹59.4 crore through QIPs.

## 2017

Right-sized the Dwarikesh Nagar plant to ensure optimal capacity utilisation.

## 2019

Embarked on the expansion of the distillery capacity at the Dwarikesh Nagar plant with an envisaged investment of ~₹145 crore. The project was successfully executed and the expanded distillery operations commenced on the 23<sup>rd</sup> December, 2019.

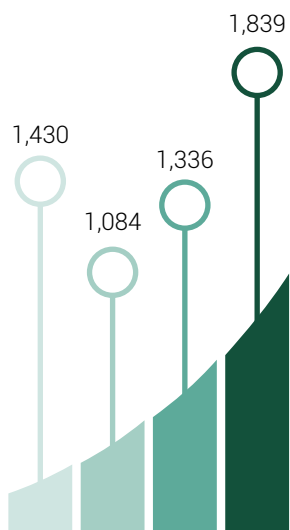
## 2020

Stabilised the distillery with a capacity of 130 KLPD. Set up a CO<sub>2</sub> manufacturing unit.



# How we performed in the last few years

## Revenues (₹ crore)



FY18 FY19 FY20 FY21

### Definition

Revenues include sales & other operating income.

### Why is this measured?

It is an index that showcases the Company's ability to enhance revenues, an index that can be compared with sectoral peers.

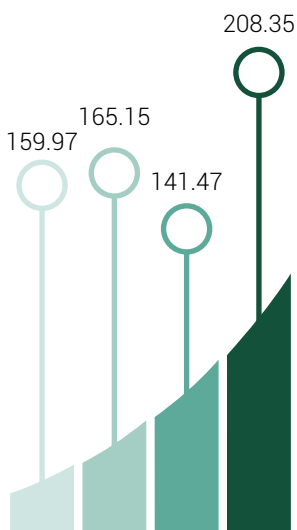
### What does it mean?

Revenues increased 37.62% to ₹1,839 crore in 2020-21 due to increased sugar exports and increased sales of ethanol.

### Value impact

The Company performed better than the sectoral average in revenue growth.

## EBIDTA (₹ crore)



FY18 FY19 FY20 FY21

### Definition

Earning before the deduction of interest, depreciation, extraordinary items and tax.

### Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following operating costs.

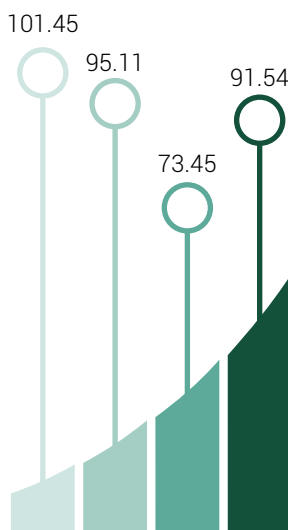
### What does it mean?

Helps create a robust growth engine and sustain profits.

### Value impact

The Company generated increase in EBIDTA on account of higher revenues and better performance of distillery segment.

## Net profit (₹ crore)



FY18 FY19 FY20 FY21

### Definition

Profit earned during the year after deducting all expenses and provisions.

### Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value.

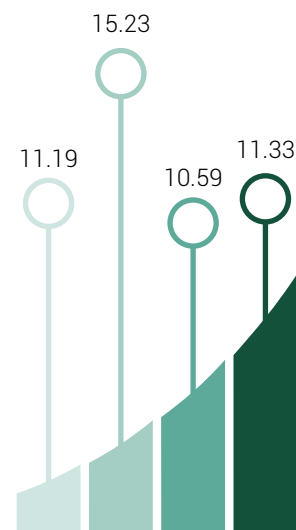
### What does it mean?

Ensures that adequate surplus is available for reinvestment.

### Value impact

The Company reported a 24.62% increase in net profit in 2020-21.

## EBIDTA margin (%)



FY18 FY19 FY20 FY21

### Definition

EBITDA margin is a profitability ratio used to measure a company's operating efficiency.

### Why is this measured?

The EBIDTA margin provides a perspective of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

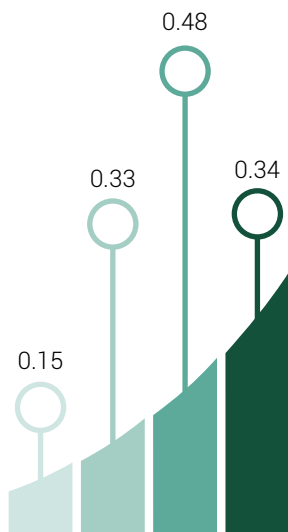
### What does it mean?

Demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

### Value impact

The Company reported a 74 bps increase in EBIDTA margin during 2020-21 on account of better margins from distillery segment.

## Gearing (x)



FY18 FY19 FY20 FY21

### Definition

This is derived through the ratio of long term debt to net worth (less revaluation reserves).

### Why is this measured?

This is one of the defining measures of a company's financial solvency.

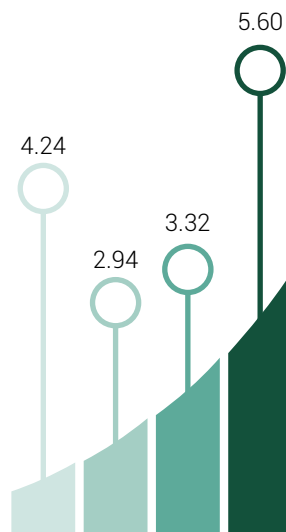
### What does it mean?

This measure enhances perception of the borrowing room within the company, the lower the gearing the better.

### Value impact

The Company's gearing remained comfortable and improved on account of profits being ploughed back into business and also on account of repayment of term debts.

## Average debt cost (%)



FY18 FY19 FY20 FY21

### Definition

This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

### Why is this measured?

This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

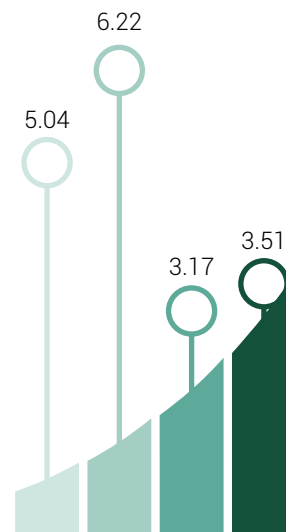
### What does it mean?

Lower cost of debt indicated increased profitability and a room to strengthen the credit rating.

### Value impact

The debt cost was higher than in the previous year on account of discontinuance of a couple of subsidy schemes in operation during the earlier years.

## Interest cover (x)



FY18 FY19 FY20 FY21

### 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.

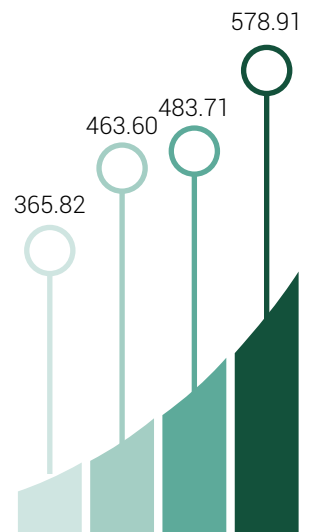
### What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is one of the most important drivers of shareholder value.

### Value impact

The Company interest cover improved during the year and is adequately comfortable.

## Net worth (₹ crore)



FY18 FY19 FY20 FY21

### 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.

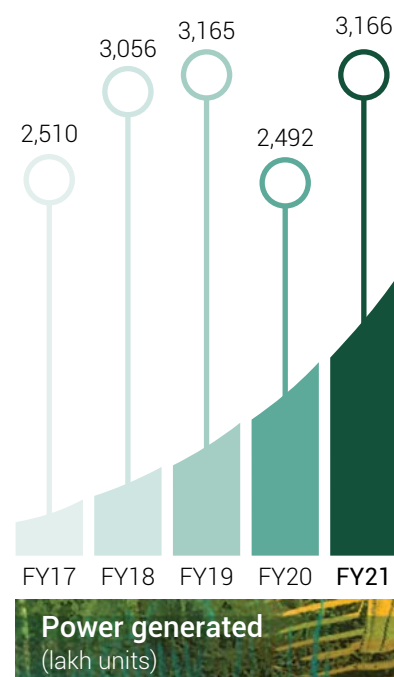
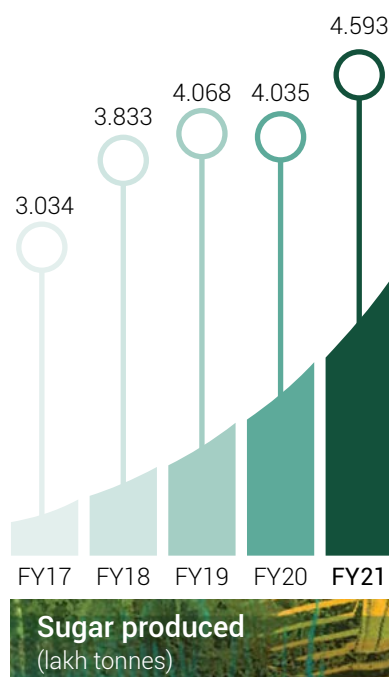
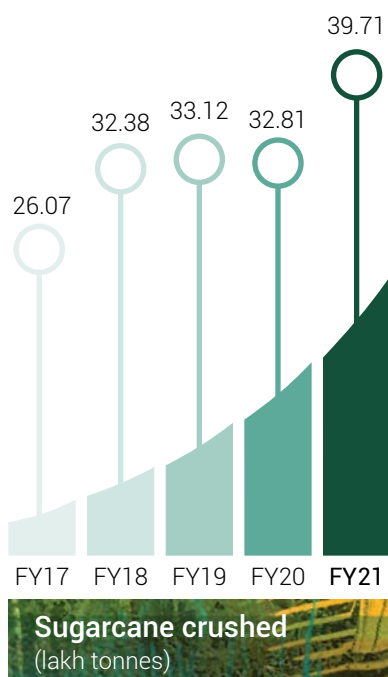
### What does it mean?

This indicates the borrowing capacity of the company and influences the gearing (which influenced the cost at which the company could mobilise debt).

### Value impact

The Company's net worth strengthened 19.68% during the year and for the first time crossed the coveted ₹500 crore mark.

# How we grew our operations across the years



## Balance Sheet

Ratio	2016-17	2017-18	2018-19	2019-20	2020-21
Earnings per share	8.87#	5.39#	5.05	3.90	4.86
Book Value per share	15.19#	19.43#	24.62	25.69	30.74
Inventory turnover ratio (turnover / closing inventory)	2.01	2.82	1.36	1.51	2.24
Fixed assets turnover ratio	3.59	4.19	3.23	3.09	4.48

# Split share of ₹1 each

## Profitability ratios

Ratio (%)	2016-17	2017-18	2018-19	2019-20	2020-21
EBITDA margin	24.46	11.19	15.23	10.59	11.33
Net profit margin	13.11	7.09	8.77	5.50	4.98

## Liquidity and solvency ratios

Ratio	2016-17	2017-18	2018-19	2019-20	2020-21
Current ratio	1.12	1.07	1.29	1.21	1.41
Quick ratio	0.10	0.10	0.17	0.20	0.18
Debt-equity ratio (including working capital) #	1.75	0.89	1.40	1.72	1.05
Debt-equity ratio (only long-term debt) #	0.50	0.15	0.33	0.77	0.34
Interest cover	4.98	5.04	6.22	3.17	3.51
Receivables in days of turnover equivalent (considering sale of power & ethanol which are only sold on credit)	195.55	167.28	153.57	216.61	114.43
Payables in days of turnover equivalent	46.76	48.29	66.53	64.18	52.75

# Debt excludes preference share capital

All numbers of FY 2016-17 are regrouped based on IND AS adoption



## 01

We are recognised largely as a sugar company.

*We are likely to be identified as an energy company in the future.*

---

## 03

We were known as a company manufacturing a product with finite demand.

*We will soon be perceived as a company addressing an addressable market with years of growth potential.*



## The four principal messages of this report

## 02

We are known as a company belonging to a cyclical sector.

*We will soon be identified as a company belonging to a non-cyclical niche.*

---

## 04

We operated in a space where the larger you grew the larger one's Balance sheet became.

*We are growing in a space where the more integrated ones become the more profitable ones.*



# The power of resilience in a sector marked by variables

G. R. MORARKA, EXECUTIVE CHAIRMAN

## Overview

For more than 25 years, Dwarikesh was largely a sugar company with a relatively small portion of revenues derived from its non-sugar businesses.

In December 2019, the company selected to shift its strategic needle: the company invested in the manufacture of ethanol. The year under review was the first year when we derived substantial benefit from ethanol manufacture. This has helped transform our personality into a progressive energy organisation with a moderate quantum of revenues derived from the conventional sugar business.

We believe that this reinvention will broad-base our products pyramid, restructure our risk profile, enhance earnings visibility, shrink our Balance Sheet and make us financially nimbler.

We also do believe that these outcomes should strengthen our credit rating and in turn, make it possible for our company's profile to be re-rated on the country's stock exchanges.

## Government direction

The decision of the company to re-orient its strategic direction is the result of the Indian government's commitment to enhance the sustainability of the sugar sector.

During the last few years, the government made far-reaching interventions to strengthen prospects for the industry and cane farmers, three of which need to be highlighted in my overview.

**One**, the Indian government announced a landmark Biofuels Policy in 2018, which facilitated a sugar company's capacity to shift from the manufacture of sugar to ethanol and

vice versa based on prevailing market conditions. This was in sharp contrast to the conventional reality of sugar companies needing to see through an entire sugar cycle for realities to improve. From being completely dependent on the commodity cycle, the government now empowered the country's sugar sector to assume control of their own destinies through swing capacities; these capacities made it possible for them to move from the manufacture of sugar to ethanol and vice versa. In doing so, sugar companies now can literally select which product to manufacture, liberating them from a sense of dependence to one of empowered control. Flexibility is not the immediate target, the target is to moderate sugar production. Flexibility will come in a years' time.

**Two**, the Indian government announced a multi-year plan to increase the blending of ethanol in automotive fuel. This was done with the objective of moderating imports and vehicular emissions. What made the industry sit up and take notice was that this did not merely entail an announcement of intent; it was backed by growing year-on-year procurement by the country's oil marketing companies. These oil marketing companies procured 173 crore litres of ethanol from sugar companies for onward blending during the ESY 2019-20. During ESY 2020-21 the target is to procure more than 300 crore litres of which 145 crore litres have been procured till now. We believe that the addressable market for ethanol in India is vast and whatever is produced by sugar companies can be safely expected to be absorbed by oil marketing companies.

**Three**, there was one other feature of the government's support for ethanol manufacture that extended beyond the usual. A commitment to procure larger volumes in the past would by itself have been encouraging; the government went a decisive step ahead, underlining its

long-term commitment to growing the ethanol sector. The government provided concessional debt to sugar companies seeking to commission ethanol manufacturing capacities; this deal was sweetened by a relaxed debt repayment schedule coupled with a year's moratorium, making it possible to expand with a relatively low proportion of net worth. The success of the government's proposal is reflected in the fact that 422 new ethanol plants were approved by the government, attracting probable investments of ₹41,000 crore into the sector.

### Dwarikesh's response

At Dwarikesh, we have been reasonably cautious with regards to investments in our non-sugar business.

Some 12 years after we commissioned our first distillery in 2005, we invested in 3.3x capacity expansion at that site and at a capacity of 130 KLPD now we are at more than 4 times our original capacity.

We believe that attractive opportunities exist to increase the company's ethanol manufacturing capacity at appropriate junctures.

The commissioning of any new ethanol capacity could make Dwarikesh completely integrated; the surplus molasses that is sold by the company in the marketplace can potentially be converted into ethanol within, should the company decide to increase capacity, enhancing our value-addition and maximising the value we can generate from a stick of cane.

The investment could also serve as a hedge. During weak sugar markets, we will be encouraged to 'sacrifice' sugar in favour of additional ethanol and vice versa, when sugar realisations become attractive. This fungible capacity will serve as an insurance against the long-standing sectorial cyclicality, enhancing revenue visibility and corporate stability. By an estimate,

we could moderate our annual sugar output by a quarter (coupled with a decline in other hidden costs), generating a corresponding increase in return on capital employed.

### A stronger Dwarikesh

At Dwarikesh, the decisive shift towards ethanol that we commenced in December 2019 could have positive implications for our revenues, margins and capital efficiency.

By selecting to manufacture ethanol, we would be addressing limitless demand that is not likely to be satiated across the foreseeable future. As more automobiles are sold and more fuel consumed, ethanol demand for blending applications could only increase year-on-year. My optimism is also derived from the fact that India's blending of ethanol in automotive fuel increased from 4.34% in 2019-20 to 7.23% in 2020-21, a trend that is likely to accelerate. This should translate into increased revenues for our company following our capacity expansion.

The prevailing realisations announced by the government for the purchase of ethanol from the B Heavy route & cane juice route are attractive enough to justify investment.

Since the proceeds from the sale of ethanol are realised in a fraction of the time compared to the sale of sugar, our working capital outlay could shrink decisively, moderating the debt on our books and enhancing our overall profitability.

### Conclusion

There comes but a moment in time when we are faced with the prospect of growing our business in a virtually unlimited space, where margins are likely to remain attractive, the business is intrinsic to humankind's needs of a cleaner world and the business is fiscally efficient enough to generate more cash than it consumes.

That time is now.





# The company persevered in the face of challenges and that made all the difference

## Overview

My overarching communication is that despite the challenges of a pandemic year when we encountered a combination of social, manufacturing and financial challenges, the company performed creditably to report a 37.62% increase in revenues complemented by a 24.62% growth in profit after tax.

The company reported 80% of its revenues from the sugar business, which remained relatively flat on

account of the sustained overhang of sugar inventory within India. A year-start sugar realisation of ₹32.21 per kg was complemented by similar year-end realisation. The company's principal business worked within a narrow band, contributing 22% to the consolidated EBIDTA for the year under review compared with 25% in the previous year.



## Countering Covid-19

The most decisive initiative of the company during the year under review was its coordinated team working in protecting against the pandemic.

The company was provided permission to operate its manufacturing units through the lockdown, placing a priority to incorporate the highest standards of safety and hygiene in manufacturing operations.

The company responded with an extensive standard operating protocol that covered all functions across its three manufacturing facilities. These SOPs covered permanent, seasonal and indirect employees; it covered their families, vendors and farmers, resulting in the highest safety standards.

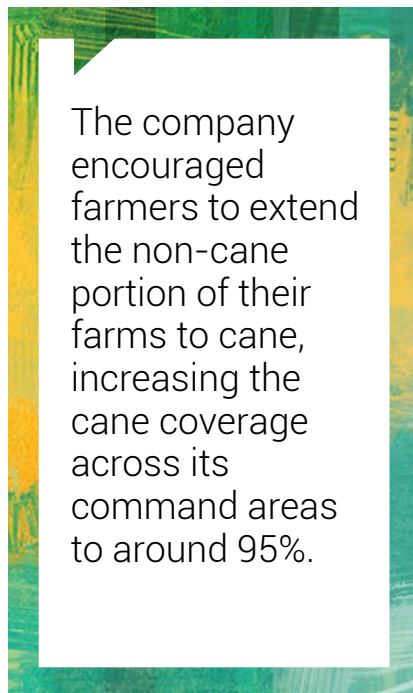
The company did not suffer any Covid-19 casualty during this period; operations continued uninterrupted through the crushing that extended unusually long into June 2020, the longest in years.

## Review of our businesses

Two factors affected the performance of the sugar business during the year under review. During the course of the pandemic-induced lockdown and the ensuing relaxation, the offtake of food products remained subdued on account of movement restrictions and social distancing. This staggered the offtake of sugar.

On the other hand, the Indian sugar industry is estimated to produce 30.8 million tonnes of sugar in the 2020-21 sugar season, nearly 12% higher than in the previous season. In a year marked by flat offtake, this translated into sustained weakness in realisations and modest earnings for the company from this business.

The distillery business of the company performed creditably following a



capacity expansion in December 2019. The distillery business reported a 186.88% growth in revenue; the average realisation per litre was 4.17% higher than in the previous year and the total revenues from this business increased from 4.19% of the company's overall revenues in 2019-20 to 8.74% in 2020-21. The growing influence of the distillery revenues on the company's personality represents a decisive shift that is expected to enhance the company's profitability.

## Our performance background

The sugar business of the company was affected by climatic and social factors during the year under review.

During the first quarter, the company encountered unprecedented operating conditions. With much of India under a severe lockdown, there was a premium on the capacity of sugar companies to operate smoothly. The biggest challenge forced sugar companies like Dwarikesh was the need to protect

its stakeholders (employees, farmers and supply chain partners) from the possibility of infection. The company engaged actively with the government in getting the necessary permissions to access cane and non-cane resources to keep the crushing lines moving.

The sugar business of the company was affected by a lower ratoon yield and a 9 bps decline in recoveries during SS 2020-21 when compared with the previous season. This decline compared favourably with the fact that the average Uttar Pradesh recovery declined 28 bps in the 2020-21 season.

The lower yield in ratoon crop was compensated by surge in the yield of plantation crop resulting in marginal increase in cane availability to 378.44 lakh quintals during SS 2020-21. The decline in recoveries during the SS 2020-21 translated into a notional decline of nearly 3,400 MTs of sugar corresponding to a realisable 'loss' of approximately ₹10.55 crore.

The company continued to deepen cane development, advocating the use of early maturing varieties, trench farming, advanced pesticides, fertiliser varieties and responsiveness to disease incidence. The company encouraged farmers to extend the non-cane portion of their farms to cane, increasing the cane coverage across its command areas to around 95%. A broad-based resource foundation will empower the company to sustain the production of sugar, distillery products and power (co-generation).

## Improved working capital efficiency

The company entered the year under review facing the prospect of record crushing, surge in sugar inventory and the prospect of nursing this inventory for an extended period (affecting working capital management efficiency).



Dwarikesh was among the few sugar companies to capitalise on this government permission by exporting approximately 1,20,000 tonnes of sugar towards the end of 2019-20 and the beginning of 2020-21.

The company embarked on various initiatives to moderate its sugar inventory. These initiatives comprised the sugar export of 1,59,949 tonnes with corresponding government incentives. This helped the company moderate its sugar inventory and convert stock into cash. In 2019-20, Dwarikesh was among the few sugar companies to capitalise on this government permission by exporting approximately 1,20,000 tonnes of sugar towards the end of 2019-20 and the beginning of 2020-21. The company liquidated more than 32% of its sugar inventory, moderating its working capital outlay. The company's successful export performance translated into government redistribution of the unutilised exports quantum of other companies. The company exported 1,59,949 tonnes of sugar during the year under review. The company moderated its sugar inventory by 12% compared with the levels on the company's books at the close of 2019-20.

The result of these initiatives helped the company reduce its working capital outlay by 11.09% in 2020-21. However, interest outflow increased 44.28% as the receipt of buffer stock incentives and soft loans provided in the previous year were now discontinued.

### Sectorial outlook

India is estimated to produce 30.8 MT of sugar in the 2020-21 season, which is more than 12% higher than in the previous year. Flat consumption at 26 million tonnes coupled with estimated export of 6 million tonnes will result in inventory accumulation equivalent to about 4 to 5 months of consumption at the close of 2020-21.

As more sugar mills sacrifice the production of sugar and graduate to the manufacture of ethanol, there is a possibility of the country's sugar production declining with consumption and production being evenly matched in three years, hardening sugar realisations.

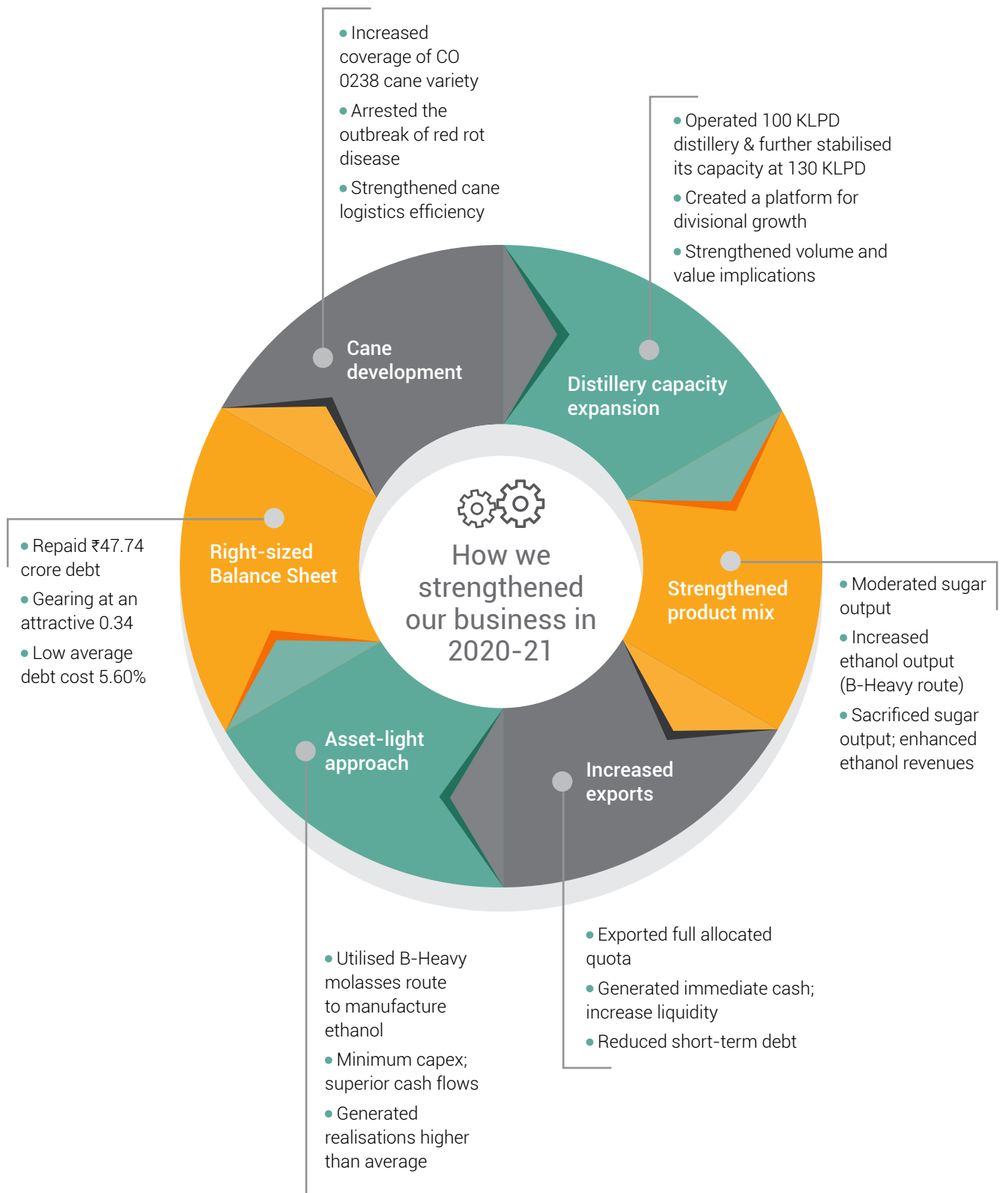
The outlook for the distillery business appears positive. There is a greater government focus in increasing the blending of ethanol with automotive fuel, increasing to in excess 7.23% today and likely to increase further following Brazil's example of 48%.

The increased distillery capacity will strengthen the company's visibility as a responsible player in the country's chemicals sector. Besides, the distillery platform could potentially empower the company to manufacture a portfolio of products, strengthening competitiveness across market cycles.

### Outlook

Going ahead, the company will focus on capital efficiency, enhancing the production of ethanol that could strengthen margins, moderate working capital outlay, increase liquidity and enhance value in the hands of all those who own a stake in our company's progress.

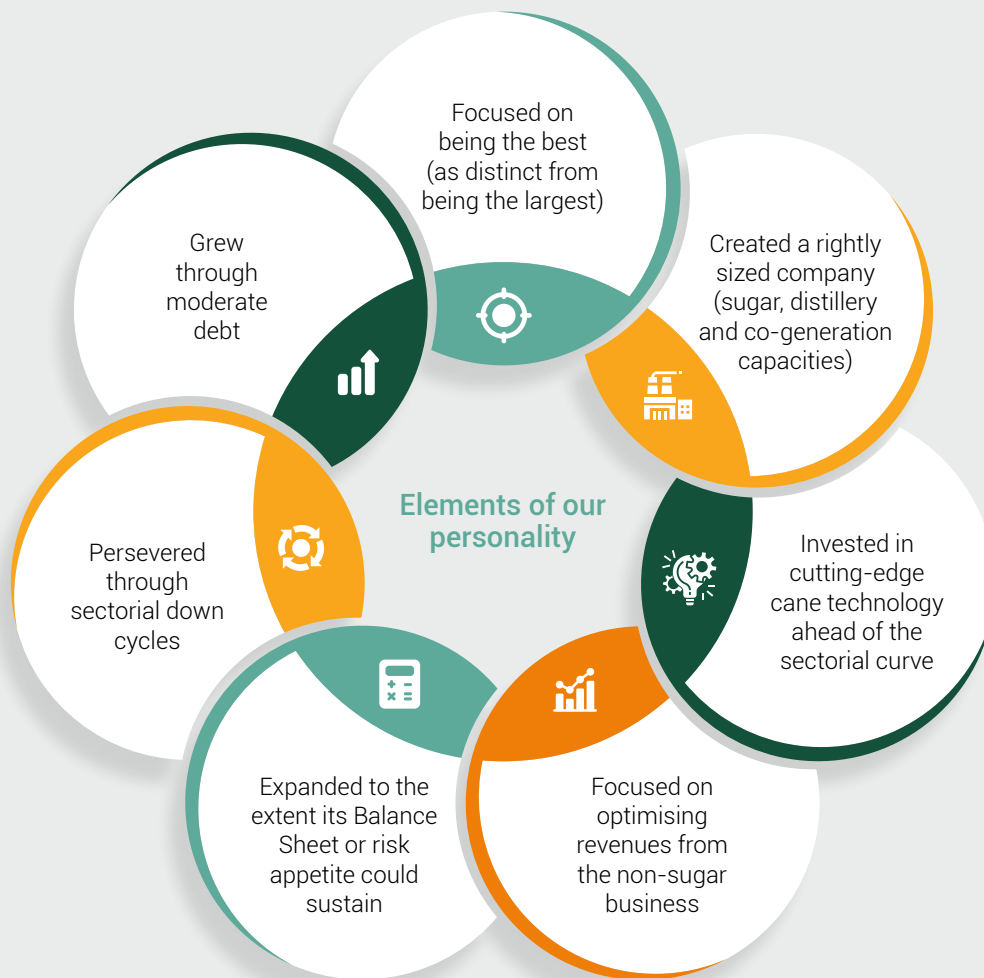
**Vijay S Banka,**  
*Managing Director*



## PERSONALITY

# The DNA of Dwarikesh

Dwarikesh is recognised as a boutique company that combines art with science to run some of the most efficient plants in India's sugar sector





## Dwarikesh: Strategic contrarian

Dwarikesh has been a successful contrarian, selecting to go against the sectorial trend based on a clarity of its competitive position and strategic direction.



### Strategy

Did not commission, acquire or expand sugar manufacturing capacities on the basis of government incentives that inevitably increased sugar production and contributed to the glut.

### Outcome

This protected the company from building sizable debt that would otherwise have been unsustainable during the enduring downturn.



### Strategy

Did not announce high dividends during a growth-hungry phase.

### Outcome

The company selected to grow out of available accruals.



### Strategy

Did not renege on sugar sale agreements following a sharp increase in realisations.

### Outcome

The company strengthened its trust factor among prominent institutional and retail customers.



### Strategy

Did not make liberal accounting interpretations of the Balance Sheet and Profit & Loss Account.

### Outcome

Established trust among investors about governance standards.



### Strategy

Did not follow the sectorial trend of growing with sizable debt.

### Outcome

Strengthened its net worth and repaid sizable debt, strengthening business sustainability.

# What Dwarikesh's employees have to say about its culture



## Technology-driven

"Over the years, we deepened our technology investments as a result of which we graduated from a reactive approach to virtually real-time decision-making. The Chairman may be sitting in Mumbai but he is clued into operations across all units for virtually 18 hours a day; it is usual for him to call any executive at any level at any time to seek a clarification on why the cane indenting was low or why there was a mismatch between crushing capacity and available cane at, say, 3 am. In fact, if he is unable to speak to the concerned executive, he usually leaves word that 'Gautam' had called and for the executive to revert at the earliest – an index of his personal engagement with employees."

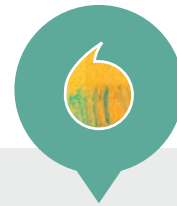
**Priyanka Morarka,**  
President – Corporate Affairs,  
Dwarikesh



## Reaching our potential

"In the past, our cane unloaders were prone to breakdowns leading to electrical overheating. We undertook corrective engineering. We worked on trolley realignment. We realigned the DSL positions. This helped moderate maintenance costs and down time, enhancing capacity utilisation. A plant of 7,500 TCD that used to operate at 6,700 TCD now regularly touches 7,800 TCD."

**V. B. Singh,**  
General Manager – Engineering,  
Dwarikesh Dham



## Ghar jaisa maahaul

"Ghar jaisa maahaul. At this company, I know that everyone is my sukh-dukh ka saathi. I would often be worried about my parents being alone in Amroha; I would often take leave from work to look them up, addressing to their needs for medicines and dekh-bhaal. When my management was appraised of the reality, it said: 'Family comes first and if need be we are there to manage your work.'"

**Ashok Kumar Sharma,**  
Assistant General Manager  
– Quality Control, Dwarikesh  
Nagar



### Personal growth

“I joined Dwarikesh as a trainee-clerk and now Chief Manager - Taxation. You can be anything you want to be at this company.”

**Manoj Agarwal,**  
Chief Manager – Taxation,  
Dwarikesh Nagar



### No looking back

“I joined the company in 1995, got married here and one of my biggest worries was the education of my child. This was a big dilemma between career choice on the one hand and the need to better my child's education on the other. It appeared that my wife and I would have to live in different places as a result. In 1997, the management announced its decision to commission a school in Dwarikesh Nagar. It is more than 20 years now, but I can't explain the relief we experienced. Aisa laga ki sub tension khatam ho gaya ho. My children studied at the school until class 12 and that explains why I am still working here after 25 years.”

**Ashok Kumar Sharma,**  
Assistant General Manager  
– Quality Control, Dwarikesh  
Nagar



### The difference

“What makes Dwarikesh different from most peers is the extent of its compliance: it has implemented labour laws in a manner one rarely finds with the Indian sugar industry. The company has one of the highest employees remunerated as per the Wage Board. Besides, the company has made ex-gratia payments equivalent to around 45 days of salary in 20 of 25 years in addition to the annual bonus – which works out to an aggregate 800 days. The worker feels that he/she belongs to the Dwarikesh family. As a result, the company has encountered only a handful of labour-related cases in 25 years compared to 'sainkdo' such cases in other companies.”

**LB Singh,**  
Deputy General Manager –  
Personnel, Dwarikesh Nagar



# Our Stakeholder Value-Creation Report across 25 years, 1996-2021

How we have enhanced value for our stakeholders across the years

## Overview

Integrated Value-Creation represents the basis of our existence and success. We recognise that we are principally in business to enhance value for each stakeholder segment. Any under-delivery with respect to any stakeholder can skew the balance and affect our business sustainability. It is the ability of our various arms to be coordinated in a synchronised manner that makes us sustainable across market cycles.

The Integrated Value Reporting format enhances an understanding of the role played by the various stakeholder segments who contributed to our success - employees, customers, vendors (farmers and equipment providers), local communities, shareholders and policy-makers.



## Our vision

Focus on emerging as a rightly sized model sugar company	Strengthen governance standards around the highest standards	Build the business around fairness for all stakeholders	Enter into partnerships and relationships with stakeholders	Remunerate fairly, promptly and commensurately	Transform stakeholders into long-term partners	Strengthen the company's brand around passion and outperformance
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## Our long-term value

Strengthened industrial discipline

Embraced modern agri-technologies

Established sectoral benchmarks (recovery and asset utilisation)

Progressed towards national cost leadership

## Drivers of Dwarikesh value

**Our employees** represent the aggregate knowledge of how to grow the business across a range of functions (strategy, cane development, manufacturing, marketing, finance etc.). Our focus is to provide a stable and inspired workplace that enhances employee self-esteem and emotional ownership.

**Our shareholders** provided capital when we went into business. Our focus is to generate free cash, growing RoCE and in doing so enhance value of their holdings. Our bankers continue to provide growth debt and working capital finance; we seek to repay their dues on time.

**Our vendors** provide credible and a continuous supply of resources (cane, chemicals, equipment and services). Our focus is to maximise quality procurement at stable or declining average costs, remunerate them quicker than the market average and tie in their long-term loyalty, emerging as stable users of their products.

**Our customers** keep us in business through a consistent purchase of our products, generating the financial resources to sustain our operations. Our focus is sell to a large number of stable customers across our different products.

**Our communities** provide the social capital (education, culture etc.). Our focus is to support and grow communities through consistent engagement.

**Our governments** in the areas of our presence provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen, serving as a role model.

At Dwarikesh, the value generated by each has ensured business sustainability and organisational value.

# Our business model





### Broad-basing

The distillery expansion proved to be an effective de-risking from an excess dependence on sugar.



### Farmer engagement

The Company possesses a track record of remunerating farmers (estimated at nearly 1.40 lakh), strengthening the confidence to plant more cane – a virtuous cycle.



### Cost leadership

The Company is one of the lowest-cost producers of sugar in Uttar Pradesh on account of the highest recoveries in the state and modest overheads.










### Financial robustness

The Company possessed a gearing of 0.34 in 2020-21; interest cover was 3.51.

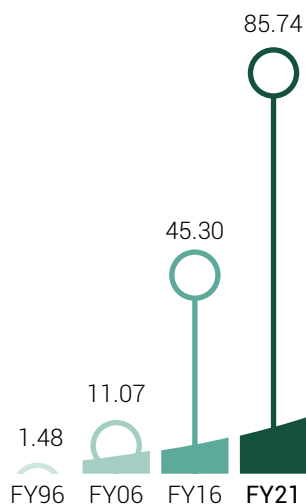


# Our strategy

 <b>Strategic focus</b>	 <b>Vendor focus</b>	 <b>Shareholder focus</b>	 <b>Customer focus</b>	 <b>Employee focus</b>	 <b>Community focus</b>	 <b>Government focus</b>
<b>Key enablers</b>	<p>Dwarikesh has a growing appetite for cane, which provides vendors a platform for long-term revenue opportunity</p> <p>The company's principal vendors comprise farmers, who are remunerated on schedule and supported through the provision of subsidised seeds and pesticides</p>	<p>Dwarikesh emphasises governance, operational excellence, cost leadership and information transparency.</p> <p>The company is growing the non-sugar side of its business to enhance its counter-cyclical stability</p> <p>The company progressively moderated debt down to a gearing of 0.34 as on 31st March, 2021</p> <p>The company is respected as one of the most efficient sugar companies of India</p>	<p>Dwarikesh remains a product provider of choice through high quality and the ability to deliver promised quantities</p> <p>The company invested in modern processing and testing infrastructure to enhance product integrity</p>	<p>Dwarikesh is a stable employer of more than 764 permanent non-seasonal talents across locations (offices and factories).</p> <p>The emotional ownership among employees is coupled with delegation, empowerment, trust and accountability</p> <p>Substantial % of the company's employees are rural, strengthening the company's recall as a rural economy driver</p>	<p>Dwarikesh is a responsible corporate citizen.</p> <p>The company is engaged in working at the grassroots through interventions in education, women's empowerment, agriculture, skill development, environment, social awareness and health</p>	<p>Dwarikesh pays taxes in the geographies of its presence, generates local employment, complies with laws and statutes and enriches the communities where it is present.</p> <p>The company generated ₹107 crore in foreign exchange earnings in 2020-21</p>
<b>Material issues / addressed</b>	<p>Pioneering use of agri technologies</p>	<p>Creating the basis of long-term viability through a superior Balance Sheet and viability across market cycles</p>	<p>Enhancing revenue visibility through multi-year customer agreements</p>	<p>Creating a professional culture seeking overarching excellence in everything the company does</p>	<p>Engaged with empathy in addressing the vast social inequity</p>	<p>Addressing our role as a responsible corporate citizen, empowering the country to invest in social progress</p>

# The value we created over 25 years

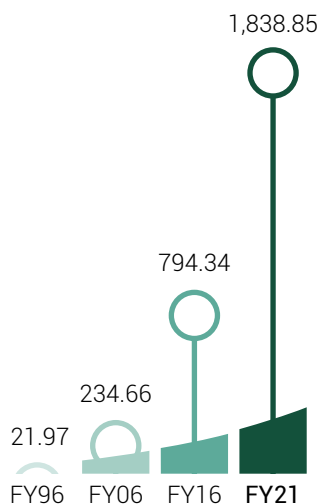
Salaries and wages (₹ crore)



## Employee value

The company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.

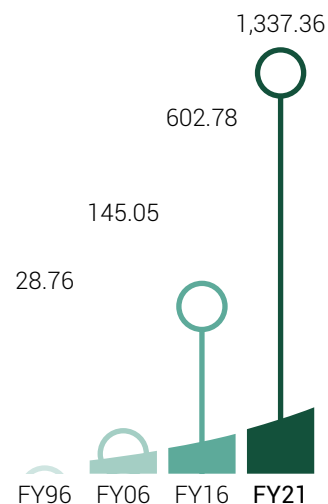
Revenues (₹ crore)



## Customer value

The company has generated increased revenues, an index of the value created for customers.

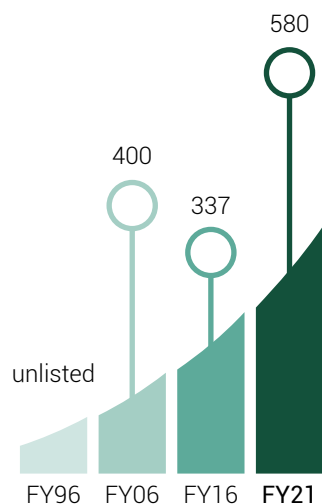
Cane procurement (₹ crore)



## Vendor (farmer) value

The company procured a larger quantum of cane resources, strengthening procurement economies.

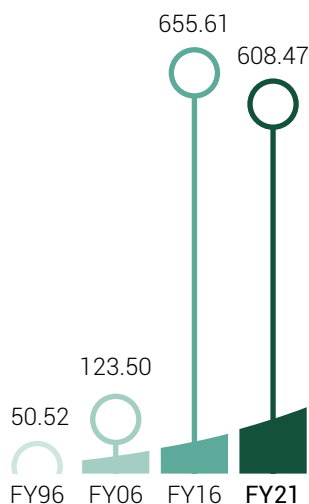
Market Capitalisation (₹ crore)



## Shareholder value

The company strengthened shareholder value through a complement of prudent business strategy, accrual reinvestment, leveraging of its value chain and cost management.

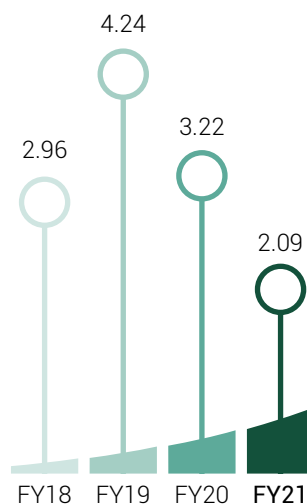
Loans (₹ crore)



## Lender value

The company evoked trust among debt providers to provide funds for asset creation and working capital.

CSR investment (₹ crore)



## Community

The Company enriched communities in the geographies of its presence through a complement of various programmes.





# How we protected the company and our talent during the pandemic

### Overview

The outbreak of COVID-19 virus was declared a global pandemic by the World Health Organisation in March 2020. The effects of this pandemic resulted in a national lockdown, weak consumer sentiment, operational discontinuity and widespread uncertainty.

### Challenges

The company encountered challenges in this unprecedented and uncertain environment.

There was a premium on the protection of our talent (and their families) and farmers engaged with us, two of our most critical stakeholders.

The business was challenged by a probable delay in being able to deliver cane (perishable commodity) to the company's factories on schedule in view of the various logistical restrictions.

The business was affected by a shortage in availability of various consumables (sulphur, lime and

packing materials) and their transportation from the states where products originated (since they were not covered under the Essential Commodities Act).

There were challenges in managing public expectations and media responses who felt that the sector was focused on keeping factories running for personal gains at a time of national crisis.

There was a premium in being able to prepare in the off season for the impending season with few spares suppliers able to reopen their premises.

## Dwarikesh's counter initiatives

The company responded with speed in shutting its urban offices in line with the official lockdown imposition. The company's Crisis Management Team protected business continuity and serviced client requirements. The Company leveraged modern remote digital communication technologies, implemented government directives and provided the 'Work from Home' option for employees.

The company responded with proactive sensitivity by embarking on a cleanliness drive as early as 8<sup>th</sup> March, 2020 well before the lockdown; it organised an awareness-enhancing public procession comprising children and employees.

The company arranged meetings with employees across operational shifts, educating them about responsible

social distancing, mask use, hand sanitisation; similar programmes were conducted in the cane stockyards to enhance awareness among farmers.

The company displayed safety-centric banners at prominent in-plant locations; it distributed a large number of masks, gloves and face shields for free across stake holders.

The company responded innovatively through the introduction of touchless handwash arrangements; it embarked on the manufacture of sanitisers as its contribution to society during this national health emergency.

The company engaged actively with the government of Uttar Pradesh (through Additional Chief Secretary (Cane & Sugar)) to generate operational and logistical permissions from various state governments.

The company arranged the relocation of employees to their native places in far flung areas; each seasonal employee was transported with adequate provisions for the journey.

The company's teams addressed nominal repairs of essential equipment by themselves in preparation of the new season.

The company sanitised villages proximate to its plants, distributed food packets and footwear, provided food to the needy in containment zones and gifted personal protecting equipment kits and sanitisers to district counter-COVID centres.

The company strengthened buffer stock of various materials; it continuously tracked materials movement; it located localised and alternative material providers.

## The impact of the pandemic on our verticals



### Sugar

Temporary decline in demand  
Temporary decline in realisations  
Mid-to-long term relevance protected  
**80% of Dwarikesh revenues**

### Ethanol

Short-term decline in offtake  
Redistribution of available output by buyers  
Future relevance untouched  
**7% of Dwarikesh revenues**

### Co-generation

No change in offtake  
Future relevance intact  
**13% of Dwarikesh revenues**

*All revenues include internal product transfer revenues*



# Our culture of manufacturing excellence

## Snapshot

Getting more from less

Enhancing product quality

Accelerating production speed

Protecting the environment

## Overview

At Dwarikesh, much of our success has been derived from our culture of manufacturing excellence.

This culture has been marked by a commitment to do more with less, shrink turnaround timelines, continuously raise the bar and transform our influence on market dynamics through passion.

Besides, this excellence has been reinforced through extensive integration, whereby the by-product generated from one business within our company becomes the raw material for another. This integration has made it possible for the company to widen its value chain, maximise the value generated from a stick of cane and reinforce the company's positioning around responsible agriculture.

A progressive investment in cutting-edge technologies also empowered the company to crush cane at the rated capacity of its manufacturing units across each of its three units; in turn, this empowered the company to complete cane crushing earlier than usual, leaving the farms free for farmers to plant alternative crops and enabling the company to moderate overheads.

The company was the first in Uttar Pradesh to commence the use of the new generation Co 0238 cane variety more than a decade ago. The use of this early maturing cane variety translated into superior yields across farms on the one hand and higher manufacturing output for the company through enhanced recovery.

## Technology investments

At Dwarikesh, we complemented our passion with a proactive investment in cutting-edge technologies that made it possible for the company's assets to be sweated at their highest utilisation levels, moderating the per unit cost of output, the foundation of the company's competitiveness across market cycles.

The company invested in the validated Double Sulphitation technology to manufacture white sugar; the

technology accounts for almost 95% market share.

The company's quality standard was validated when raw sugar exports in 2020-21 (under MAEQ) matched demanding international consumer acceptance standards.

The company invested in a range of magnets in the sugar section to filter minute iron particles, enhancing quality standards; the company's output qualified for National Standard Sugar

Sample of the premier National Sugar Institute.

The company introduced a molasses cooling arrangement in one of its units to enhance molasses quality; the TRS (Total Reducing Sugar) deterioration has been negligible.

The company invested in decanters at in its Dwarikesh Puram and Dwarikesh Dham units to enhance sludge management and leave the environment cleaner.

## Recovery

12.41

% gross recovery across all three plants, SS 2019-20

12.32

% gross recovery across all three plants, SS 2020-21

## Sugar sacrifice

>5,300

MT, sugar sacrificed, SS 2019-20

>36,000

MT, sugar sacrificed, SS 2020-21

## Recovery (Uttar Pradesh)

11.76

% gross recovery, SS 2019-20

11.48

% gross recovery, SS 2020-21





# Creating a building block of sustainable growth

## Overview

At Dwarikesh, our multi-decade experience indicates that the success of our company is not located within our three factories; it is seeded in the thousands of farms across our rural command areas.

This definition creates its own challenges: engagements with thousands of farmers, enhancing familiarity, addressing diverse mindsets, servicing different risk appetites and countering a range of agricultural awareness issues with the singular objective of ensuring that more cane is planted, protected and harvested.

The result is that the reality of more cane being generated for crushing represents the successful management of a vast eco-system.

The company's competence in this regard is expressed best in the following numbers:

- Cane crushing by the company has increased by 14.13 lakh tonnes between 10 seasons ago and during SS 2020-21.
- Cane procurement and crushing grew at a compounded average of 4.79% per annum in the decade ending SS 2020-21.
- Cane procurement was to the cumulative extent of nearly ₹8,500 crore in the decade ending 2020-21.
- Cane procurement increased from less than 83 thousand farmers at the close of the first decade of this century to an estimated 1.40 lakh farmers in 2020-21.



## Nature of engagement

At Dwarikesh, the essential driver of success is our capacity to encourage farmers to plant progressively more cane.

This is not as simple as it sounds, our cane management comprising cane development and cane marketing.

### Cane development

The company is engaged in training farmers in modern cultivation technologies, control of insects, pests and disease, fertilizer and manure management, scientific cane harvesting and ratoon management practices.

The company organises village-level goshthis, zone-level meetings, pamphlets, brochures and leaflets in addition to communicating messages through digital media (SMS and Telegram). Besides, the company's technical field members (including scientists) visit farms to motivate farmers in the proactive adoption of modern practices.

Over the years, the company did not just counsel and step away; it arranged for the delivery of prominent cane varieties suitable for the prevailing terrains (Co-0118, Co 15023, CoS 8272 and CoS 13235) that could be used in their respective cane nurseries for observation and validation.

The company sustained demonstration plots across our command area (monitored by our staff) where we showcased superior practices, yields and varieties.

The company provided subsidised insecticides and pesticides across our command areas; we provided subsidies for the installation of tube wells and drip irrigation system; we provided subsidised road construction through our command areas connecting cane development councils and accelerating cane deliveries to our factories.

### Cane marketing

The company engaged in various activities to strengthen supply chain management.

The company conducted a survey of all cane farmers in the command area to derive accurate cane area data (early maturing varieties, general and rejects) resulting in informed decision-making.

The company provided vehicles, loaders and labourers to facilitate the smooth supply of cane to the mill during the season.

The company scheduled a calendar for timely cane delivery, basic quota and supply mode so that the proportionate cane supply could be made and growers did not face delivery constraints.

The company communicated digitally to farmers for seamless cane supply, weighment and payment, enhancing integrity.

The company addressed supply chain challenges related to cane survey, calendaring, supply tickets issuance, transport, labour arrangement and efficient marketing.

## Volume procurement

22.46

MT, quantum of cane crushed, 2015-16

32.81

MT, quantum of cane crushed, 2019-20

39.71

MT, quantum of cane crushed, 2020-21

## Value procurement

602.78

₹ crore, value of cane crushed, 2015-16

1,096.40

₹ crore, value of cane crushed, 2019-20

1,337.36

₹ crore, value of cane crushed, 2020-21

# How we strengthened farmer value through the years



## Pioneering

Dwarikesh was the first sugar company in Uttar Pradesh to embrace the game-changing CO 0238 cane variety. The rest of the Uttar Pradesh sugar industry embraced the use of the new variety only after about 4 to 5 years of Dwarikesh's pioneering development.



# How we strengthened our talent management

## Overview

There is growing evidence to indicate that effective talent management represents the fundamental difference between companies. The greater the investment that a company makes in its people, experience, knowledge, exposure, delegation and empowerment, the more visible a company's competitive advantage.

At Dwarikesh, this commitment translated into a passion to outperform, commission capacities faster than the sectorial average, operate facilities at a higher efficiency and report correspondingly lower costs as well.

## Challenges

The year under review was one of the most challenging from the perspective of talent management. Suddenly it was no longer enough to provide employees with a secure workplace; it was imperative to motivate, protect, reassure, empower, enhance adaptability to working from home.

**Mental health and well-being:** The company embarked on a number of initiatives to enhance mental well-being.

**Disproportionate work-family effects:** The company took initiatives to enhance family-friendly workplace practices.

## Our talent management priorities

Recruitment and selection

Career development and growth

Promoting organisation culture and heterogeneous workforce

Emphasising business ethics and values

Creating a multi-generational workforce

Deepening employee communication

### Insights from entrepreneurship:

The company sharpened its insight into the discovery, evaluation and exploitation of opportunities occurring in inherently ambiguous and dynamic environments.

### Conflict management and resolution:

The company explored opportunities to resolve conflicts, explain codes of

conduct to employees and liaise with employees to resolve disengagements.

**Managing remote work:** The company transitioned to a remote work culture while resolving related challenges, enhance productivity, provide employees the right tools and gather real-time updates.

## Achievements, 2020-21

The company strengthened people retention from 90.64% in 2019-20 to 95.25%.

The company showcased a humane face that enhance employee loyalty.

The company successfully transitioned several employees to work from home.

The company widened and deepened its social and community development approach.

The company conducted technical, social and health management workshops cum seminars.

The company conducted medical checks across employees.

The company engaged in employee survey, talent planning and career planning.

## Outlook

The company intends to emphasise training and development, creation of a strategic planner that optimises talent management, budgeting and resourcing, sound industrial relations

practices, employee orientation programmes, enhanced societal commitment and an overarching commitment to employee safety all times.

## Number of employees

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1,618	1,650	1,700	1,703	1,781	1,765

## Employees by gender

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Male	1,604	1,635	1,681	1,683	1,762	1,746
Female	14	15	19	20	19	19

## Employees by age group

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
22-35	415	440	452	420	456	440
36-45	664	662	653	635	612	596
46-60	539	548	595	648	713	729

## Employees by educational profile

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Graduates	504	513	522	515	541	539
Masters	180	189	194	197	199	198
Engineers	52	61	74	78	100	102
MBA's	17	18	19	19	22	23
Chartered accountants	2	2	2	2	3	3

## Employee retention (%)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
92.65	88.93	88.45	87.39	90.64	95.25

## Employee cost as a percentage of total revenues

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
6.25	6.01	4.85	6.53	5.90	5.04

## Employees by tenure

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
More than 5 years (as % of total)	61.68	62.84	70.35	71.87	71.75	73.65

## Health and safety incidents

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
4	9	9	5	8	10





# How we protected the environment through responsible HSE standards

## Overview

A growing number of global manufacturers are recognising financial and environmental benefits from sustainable business practices. The greater the safety index of a company, the bigger its respect. Besides, stringent environmental norms regulating agencies are helping reduce resource depletion, water scarcity, pollution and other harmful impacts, enhancing goodwill.

The result of these realities is a greater emphasis on sustainable manufacture. This comprises the manufacture of products through economically

sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

Besides, there is a growing emphasis on aligning business existence with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

## The management's approach

The company's overarching focus lies in consuming less and manufacturing more while minimising environment impact. It is the Group's conviction that the most successful, profitable and sustainable companies are ones benchmarked with the most stringent environmental standards.

At Dwarikesh, we have consistently professed high standards pertaining to the integrity of the health and safety of employees and neighbouring communities as well as the interests of the environment on the other. The result is an overarching commitment to do good for all stakeholders.

The company's operations are woven around the 4Rs – recycling, replacement, reduction and renewables. This commitment has been protected and reinforced through the creation of an Environment Management Cell (chaired by the head of that manufacturing unit). This cell was invested with professionals of experience, knowledge and seniority. The company appointed a Manager (Environment) to oversee environment issues; a qualified Environment team was stewarded by a Manager (Environment). The team co-ordinated periodic audits of

environment functions by a technical team, strengthening the company's preparedness to standard and developments. The company engaged IIT-Roorkee for the validation of its environment compliance, enhance respect and outperformance.

The company provides training to workers engaged in hazardous assignments to enhance awareness of hazards with the objective to minimise their incidence. The management conducts periodic plant and safety inspections coupled with audits to ensure process effectiveness and compliance.

## Index of responsibility

The company engages extensively with relevant authorities in meeting legal obligations.

It ensures that solid, liquid and gaseous wastes are disposed in an environmentally responsible manner. It provides equipment to treat process effluents. It does not discharge

liquid effluents outside the factory. It promotes environmental information with customers and suppliers as well as within the company and across communities where it operates. It established and implemented environment practices in line with the principles of this policy and local regulations. It monitored ambient air

quality at the plant and carried out stack emission tests. It tested noise levels within and outside the factory to within permissible limits. It disposed boiler ash by in an environment-friendly manner through bio-composting and/or making manure following blending with press mud.

## Investments

The company invested in an environment laboratory to test water and wastewater effluents in addition to stack and ambient pollution load.

The company installed flow meters at different points of freshwater use, minimising freshwater consumption and wastewater generation.

The company arranged periodic training for employees, enhancing an

awareness on environment integrity.

The company invested in modern distillery condensate treatment technologies, making it possible to recycle treated condensate water in the distillery and make-up in the cooling tower.

The company responded with various measures to control ambient air quality and stack emissions.

The company developed a green and clean environment within each of its manufacturing facilities.

The company adopted rural ponds and invested in a rainwater harvesting system, enhancing the ground water table.



### Water management

At Dwarikesh, we prioritise the conservation of water, a finite resource of critical application. Over the years, the company invested in equipment to maximise conservation: it cooled excess condensate that was reused in the process cooling tower, moderating the consumption of freshwater requirement. The company installed CPU plant in the

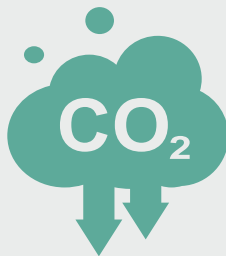
distillery, its treated water being reused. The company installed flow meters at various locations to monitor and minimise fresh water requirements. It developed an environment lab to test water and air. The result of these initiatives empowered the company to capture more than 90% water through recirculation.



### Energy management

The company invested in modern equipment that consumed optimal electricity. As a long-term hedge, the company selected to generate its own renewable (co-generated) power.

During the year under review, the company consumed 1,457 lakh units within its system and marketed 1,709 lakh units to the state electricity grid.



### Emissions reduction

The Company invested in advanced bag filter technology for boiler flue gas treatment. The Company achieved norms stipulated by MOEF.

The Company installed ESP, wet scrubbers and bag filters to reduce air pollution caused by suspended particulate matter (benchmark below 150 PPM and target below 100 PPM).

The Company installed an effluent treatment plant in 2017 to eliminate sulphur content in water.

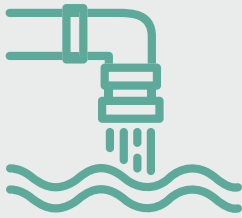
The Company installed sewage treatment plants across its three units (comprising an equalisation tank, sewage tank and an aeration tank, among others).

The Company invested in rain-water harvesting to raise the ground water table; three pits were dug in the employee colony factory premises.

The Company held regular seminars during the non-crushing season to educate employees about environmental policies.

The Company employed 45 individuals (31 operators, 7 chemists, 6 helpers and one manager) to institutionalise environment compliance initiatives.

The Company planted saplings on World Environment Day, covering an approximate plant area of 33%. The Company planted 17,000 saplings in its Group units and nearby villages.



## Effluents management

The business of sugar manufacture is marked by the possibility of effluents generation. As a responsible company, the company invested in processes and plants to minimise the unrestricted release of effluents into the system. The company extensively treated sugar mill and distillery effluents. More than ₹49 Crore was invested in incinerators and other ETP equipments to moderate the effluent discharge.

The company invested in ETP plants at Dwarikesh Nagar, Dwarikesh Puram and Dwarikesh Dham with respective capacities of 1,500 KLPD each and distillery CPU capacity of 1,450 KLPD. These investments resulted in a sizable treatment of water - Dwarikesh Nagar (700 to 900 KLPD of excess water, Dwarikesh Puram (800 to 1,000 KLPD of excess water), Dwarikesh Dham (800-1,100 KLPD of excess water) and distillery (900 to 1,250 KLPD, 100% recycled after treatment).

During the commissioning of the 100 KLPD distillery plant, the Company

invested in the best technology for the treatment of effluent and preservation of air quality. The zero effluent treatment unit was complemented by continuous distillation under vacuum to minimise spent wash to 8 KL per KL of alcohol production; the spent wash was concentrated in a multi-effect evaporator; the slop generated was fed to the boiler as fuel. The condensate of the evaporator was treated in the Condensate Polishing Unit to ensure that the treated water quality was good for fermentation and use in the cooling towers. The Company achieved zero effluent discharge; its minimal freshwater withdrawal (5.5 KL per KL of alcohol produced) being an industry benchmark.

In an evident payback, the company's distillery was permitted to operate for 80 additional days following installation of an incineration boiler, generating an attractive payback on the investment.

## Green cover

The company invested in green cover across 33% of the factory area, making the ambience refreshing to work in.

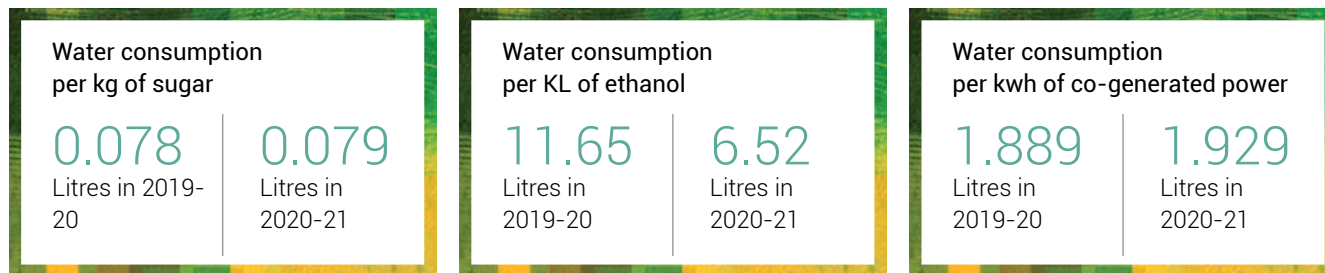
## Safety

The company entered into alliances with health care providers for the treatment of its employees whenever the need arose. The alliance partners comprised Jolly Grant Hospital (Dehradun), Max Hospital (Delhi) and hospitals in Najibabad and Bijnor. All the company's factories were reinforced with first-aid facilities managed by trained persons.

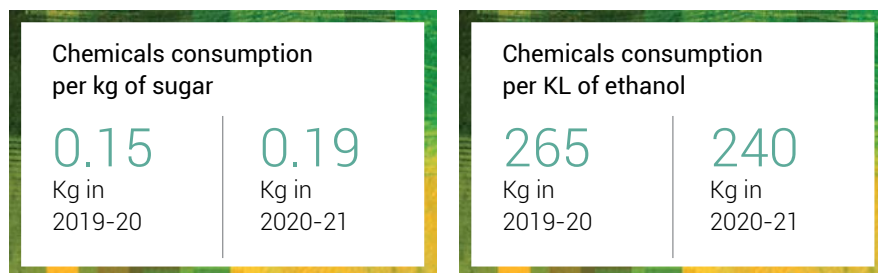
## Pioneering

Dwarikesh was one of the first companies in India's sugar industry to invest in the cutting-edge cooling tower treatment technology, minimising water depletion and removing zinc, chromates and carbonate from process water. The result: The quantum of water treated by the Company increased from 10% to 100%.

## Water



## CHEMICALS



Benchmarks		Achievements	
Benchmark BOD of Treated Water	≤ 30 PPM	BOD achieved	< 10
Benchmark COD of Treated Water	≤ 250 PPM	COD Achieved	< 80
Benchmark Suspended Solids of Treated Water	≤ 30 PPM	Suspended Solids Achieved	< 30

### Water consumption (cubic metres per tonne)

2016-17	2017-18	2018-19	2019-20	2020-21
0.89 KL/Tonne	0.71 KL/Tonne	0.78 KL/Tonne	0.78 KL/Tonne	0.79 KL/Tonne

### Water recycled, KL per hour

2016-17	2017-18	2018-19	2019-20	2020-21
40	40	40	40	40





# How we protected the communities in the vicinity of our presence

## Overview

Dwarikesh is a responsible corporate.

The company is not only driven by the need to make the world a better place through the manufacture of a product needed by humankind but also by widening its prosperity circle.

At Dwarikesh, our corporate citizenship is defined by priorities.

We are engaged in business to make the world a better place. Our

engagement in corporate social responsibility projects are aligned with national and regional priorities. We focus on responsible engagement where we empower beneficiaries to assume control of their lives.

We engage in programmes relevant to the grass-root existence of residents in the proximity of our manufacturing facilities. Our engagement is directed by a defined CSR Policy, implemented

under the guidance of a CSR Committee and senior management. The outcomes of these programmes are periodically tracked.

The Company is focused on various areas (health care, education, women's empowerment rural and livelihoods management) with the objective of mitigating poverty, unemployment and social inequity.

## Education

**Scholarships to the needy and meritorious:** The company addressed deserving girl students through scholarships that encouraged them to continue studies, supplement their education expenses and prevent drop-out. This initiative benefited thousands of girls.

**Scholarships to class toppers:** The company motivated students to rise to the first position in their class, based on which the company subsidised their educational expenses.

**Beti Bachao-Beti Padhao:** The company 'adopted' 10 girls of Nawalgarh block from the most needy

and vulnerable families, supporting their educational expenses.

**College construction:** The company constructed Shree Radheshyam R. Morarka Govt. College, benefiting more than 1,000 students to get education (significant percentage of girl students).

## Health

### **Free eye check and correction**

**camp:** The company organized a camp with Sahai Eye Hospital and Research Center (Jaipur) for cataract interventions, helping elderly persons access these services free.

**Health awareness:** The company addressed organised health awareness programmes in collaboration with Narayana Multispecialty Hospital, Jaipur, to address silent health risks,

their prevention and preventive awareness.

**Sanitation literacy:** The company organized sanitation literacy in Dhakla, Pujari ki Dhani, Signore and Nangal villages, enhancing awareness among 210 women about the importance of hand wash, cleanliness, toilet use and preventive measures.

**COVID-19 awareness:** The company organized programmes in 40 villages

among 600 community members on the importance of the use of masks, social distancing and regular hand washing.

**Food kit distribution:** The company distributed thousands of kits at the worst juncture of the first pandemic wave.

**Mask distribution:** The company distributed thousands of masks in the presence of the Health Department.

## Agriculture

**Kisan Club:** The company benefited 55 kisan clubs and 2,500 members through awareness programmes on the agriculture department's schemes, subsidy schemes and government schemes for farmers and residents.

### **Siromani Milk Producer Company Ltd.**

**Pujari Ki Dhani (FPO):** The company formed a farmer producer organization comprising 515 farmer-shareholders.

### **Nawalgarh Kisan Agro Producer**

**Company Ltd, Nawalgarh (FPO):** The company formed Nawalgarh Kisan Agro Producer Company Ltd, with 125

shareholders, who benefited through quality subsidized seeds and fertilizer, awareness on cropping and crop management.

### **Shekhawati Balaji Agro Producer**

**Company Ltd. Dhigal (FPO):** The company formed an FPO with 25 shareholders, enhancing awareness on cropping and crop management.

**Women farmer's exposure visits:** The company organized women farmers' exposure visits of dairy farms covering new technologies and the importance of crop diversification.

**Self Help Groups:** The company formed 351 SHGs comprising 4,200 members, generating savings of Rs. 1.73 cr and accessing bank credit of Rs. 2.94 cr to finance micro-entrepreneurs.

### **Micro Enterprise development**

**training:** The company provided Micro Enterprise Development training to women on the making of pickles, disposal plates, beautician course, tailoring, dairy and goat farming. Some 200 women commenced their micro enterprises, supporting their families with enhanced incomes.

## Covid-19 assistance

The company stands committed in its endeavour to protect citizens from the Covid-19 pandemic. The company took CSR initiatives in and around its sugar mills in Uttar Pradesh. Besides, under the aegis and guidance of Additional Chief Secretary (Sugar), Government of Uttar Pradesh, the company undertook to supply one oxy-generator to Community Health Centre, Seohara, Bijnore and another oxy-generator to Community Health Centre, Fursatganj, Amethi. Oxy-generators will be installed sometime in June / July'21 assisting patients needing hospitalisation and life-saving oxygen. The setting of the oxy-generator is a humble contribution by the Company to enhance citizen protection.



# Management discussion and analysis

## Global economic overview

The global economy de-grew 3.5% in 2020 compared to a positive growth of 2.9% in 2019 largely due to the outbreak of the novel coronavirus, which led to global supply chain disruptions in some of the largest global economies. The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

## Indian economic review

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

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 billion was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a halt, the

lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The Indian economy de-grew 23.9% during this quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared. India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported

unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

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



### Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7.04	6.12	4.18	(7.3)

### Growth of the Indian economy, 2020-21

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

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

## Indian economic reforms and recovery

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month (when compared with the immediately previous month or the corresponding month of the previous year) in the second half of 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 lakh in 2019-20 to ₹1.27 lakh in 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of 2020-21.

The Indian currency strengthened from a level of ₹76.11 on 1<sup>st</sup> April 2020 to a US\$ to ₹73.20 as on 31<sup>st</sup> March, 2021 after peaking at ₹76.97/ US\$ on 21<sup>st</sup> April 2020. (Source: poundsterlinglive.com, exchangerates.org.uk)

India's foreign exchange reserves continue to be in record setting mode – FY21 saw \$101.5 billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of \$23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of \$2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

## Outlook

The Indian economy is projected to grow by more than 10% in FY22 as per various institutional estimates, though much will depend on how the country addresses the sharp increase in Covid-19 cases in 2021-22 after the start of the second wave of COVID 19. Recently scientists have cautioned about the third possible wave of COVID 19 in the second half of FY 22. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performance, success in management of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine, among others.

## Global sugar sector overview

Global sugar production for the sugar season 2020-21 was estimated at 169 million tonnes against the estimated global consumption of 174 million tonnes; the sugar deficit is attributed to the lower production estimates in the EU, Brazil and Thailand. Brazil and Thailand, who account for nearly one-fifth and 7% respectively of overall sugar output was estimated to have suffered a decline in production due to unfavourable weather conditions, whereas the European Union was

projected to witness a production decline for the third consecutive year due to reduced acreage and a higher disease incidence. However, sugar demand from Asian countries, especially the China and Indonesia, was projected higher on account of the easing of lockdown restrictions. Overall sugar exports were estimated at around 62 million tonnes during 2020-21 compared to 66.5 million tonnes in the previous year. (Source: USDA, Hindu Business Line, Reuters)

**Countries that imported the highest dollar value worth of sugar in 2020 are United States, Indonesia, Italy, Algeria, Bangladesh & Malaysia.**

### 5 largest cane sugar producing countries

**Brazil**

**38 million tonnes**

**India**

**30.2 million tonnes**

**Thailand**

**6.9 million tonnes**

**United States**

**14.11 million tonnes**

**Mexico**

**5.9 million tonnes**

(Source: World population review, Statista, Reuters)

### Overview of key sugar manufacturing geographies

**Thailand:** It is one of the major sugar producing countries and is the second largest exporter of sugar. Thailand's overall sugar output was estimated at 7 million tonnes in 2020-21, a ~50% decline compared to 14 million tonnes in 2019-20. This decline was attributed to the worst drought that the country has witnessed in >40 years.

**China:** The fourth largest sugar producer in the world with a production quantum estimated at 9.3 million in 2020-21 owing to increasing cane and beet area. The annual consumption of sugar in China was estimated at 15.2 million tonnes in 2020-21.

**Brazil:** Brazil is the leading sugar producer and exporter, accounting for 20% of the global production and 40% of global sugar exports. About 75% of the sugar produced was exported to more than 100 different

countries. Brazil produced 41.8 million tonnes during the sugar season 2020-21 owing to strong sugar prices and sugar producers opting to produce more sugar and less ethanol due to the reduced demand for ethanol resulting from lockdowns caused by the pandemic. However the probable sugar production in CS Brazil during 2021-22 is low end of estimated range of 35.4 to 35.9 million tonnes as against more than 38 million tonnes of sugar produced in 2020-21.

**USA:** The sugar production for the period was estimated at 14.11 million tonnes as compared to 7.8 million tonnes in the previous fiscal. Imports were estimated at 2.9 million tonnes for the year.

### Global sugar price trends

Raw sugar prices have been on rollercoaster ride. From a low of 12.5 cents per pound in September 2019 they rebounded to 15 cents per pound

in February, 2020 to crash to almost 10 cents per pound. In June 2020 it hovered around 11 cents per pound. Around the same time white sugar price prevailed at around US\$ 360 per metric tonne. In August, 2020 the raw prices rebounded to 12.75 cents per pound and white sugar price to around US\$ 370 per metric tonne. Sugar prices thereafter have been on an upward spiral as raw sugar prices further rose to around 14.75 cents per pound in November, 2020 mainly on account of lesser availability of Brazilian sugar for export and uncertainty regarding exports from India. Around February, 2021 raw sugar prices moved further northwards in spite of export subsidy program announced by India. It was around 16 cents per pound and white sugar quoted at around 470 US\$ PMT. Presently raw is priced is more than 17 cents per pound and white sugar in excess of US\$ 460 PMT.



## World sugar balance (October/September)

in thousand tonnes, tel quell

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Production	1,69,040	1,71,156	1,74,264	1,79,787	1,69,073	1,63,825	1,69,373
Consumption	1,73,822	1,70,274	1,70,717	1,71,153	1,72,168	1,70,287	1,67,079
Surplus/deficit	-4,782	882	3,547	8,634	-3,095	-6,462	2,294
Import demand	62,133	66,545	57,540	62,649	65,040	66,256	58,419
Export availability	62,180	66,554	57,208	62,413	64,900	66,264	58,419
End stocks	92,779	97,608	97,432	93,553	84,683	87,483	93,953
Stocks/consumption ratio in %	53.33	57.32	57.07	54.66	49.19	51.37	55.82

Source ISO report, February, 2021

### Indian sugar industry overview

Sugarcane production in sugar season 2020-21 was estimated at 30.2 million tonnes whereas consumption was estimated at 26 million tonnes. The sugar production was expected to be slightly lower than the initial estimate on account of unexpected drop in yield from ratoon crop in Uttar Pradesh and also due to unseasonal rains in Maharashtra. The total cane acreage in the country was estimated to be around 52.28 lakh hectares in 2020-21 sugar season (SS), about 8% higher than the 2019-20 sugar season's cane area. Maharashtra and Karnataka were the main contributors to the rise as the states suffered adverse weather in the previous seasons.

An estimated 2 million tonnes of the sugar was expected to be diverted for ethanol production in 2020-21SS on account of the government's intent to increase ethanol blending with petrol to 20% by 2025.

The sugar production in Maharashtra was estimated at 10.5 million tonnes for 2020-21 SS, compared to 6.2 million tonnes in 2019-20 SS. The

third major sugar producing state, Karnataka, was also expected to produce an estimated 4.2 million tonnes in 2020-21SS, an increase of 20% over the previous year.

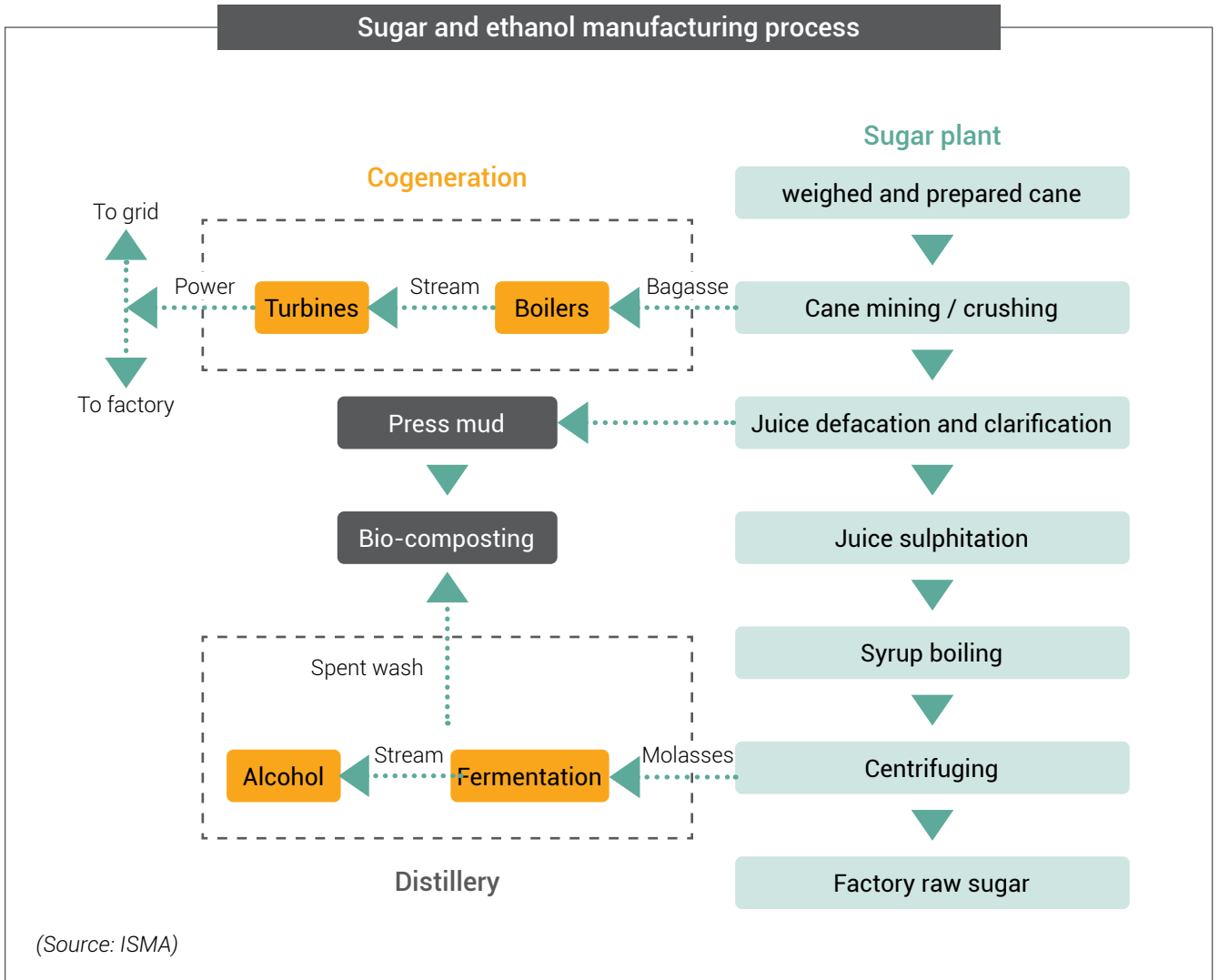
The sugarcane acreage in Uttar Pradesh, India's leading sugarcane and sugar producing state, remained at the same level as the previous year. Sugar production in 2020-21SS was estimated at 10.5 million tonnes compared to ~12.5 million tonnes in 2019-20 SS. In Tamil Nadu, 20 sugar mills commenced their crushing operations for 2020-21SS and produced 1.1 million tonnes of sugar compared to 0.8 million tonnes in 2019-20SS. Karnataka produced 4.2 million tonnes in 2020-21SS compared to 3.5 million tonnes in 2019-20SS.

The Government approved a subsidy of ₹3,500 crore for exports of 6 million tonnes in 2020-21SS. India exported sugar mainly to Indonesia, Dubai, Afghanistan, Sri Lanka and Africa. Since the export quotas were allocated by the government, Indian mills contracted to export more than 5.4

million tonnes of sugar, out of which nearly 3.5 million tonnes of sugar was shipped till end of April, 2021 and another 1 million tonnes is expected to be shipped out during May, 2021. In a major decision Department of Food & Public Distribution has allowed exchange of export quantity of sugar with monthly sales quota between mills to maximise exports and reduce the incidence of transportation cost involved in movement of sugar from one state to another. This move has provided impetus to exports and obviated the need to redistribute export quota time and again.

In the sugar season 2020-21, 502 sugar mills across the country were involved in crushing operations, compared to 457 mills operating in 2019-20 SS. Sugar mills across the country owed around ₹22,900 crore to sugarcane farmers (as of February 2021).

(Source: ISMA, Business Standard, Business Today, Economic Times, Ventura Research)



**Sugar production and consumption (in million tonnes)**

	Production	Consumption
2013-14	24.4	24.2
2014-15	28.3	25.6
2015-16	25.1	24.8
2016-17	20.3	24.5
2017-18	32.5	25.4
2018-19	33.1	25.5
2019-20	27.4	25.7
2020-21	30.2	26.0

(Source: ISMA & Ventura Research)

## Domestic sugar Balance Sheet

Particulars (million tonnes)	SS16	SS17	SS18	SS19	SS20	SS21E
Opening stock	9.0	7.7	4.0	10.7	14.5	10.7
Production	25.1	20.3	32.5	33.1	27.4	30.2
Consumption	24.8	24.5	25.4	25.5	25.7	26.0
Exports	1.6	0.0	0.6	3.8	5.5	6.0
Imports	0.0	0.5	0.2	0.0	0.0	0.0
Closing Stock	7.7	4.0	10.7	14.5	10.7	8.9

(Source: ISMA & Ventura Research)

## Indian sugar sector price trends

Fair and Remunerative Price (FRP) is the minimum price that sugarcane farmers are legally guaranteed to receive from the sugar mills. In the 2020-21SS, the FRP was pegged at ₹285 per quintal compared to ₹275 per quintal in 2019-20SS, with the objective of empowering the farmers. The CCEA also approved to provide a premium of ₹2.75 per quintal for every 0.1% increase above 10% in the recovery. (Source: PIB, the Hindu Business Line)

## FRP (₹/Quintal)

Year	FRP
2009-10	130
2010-11	139
2011-12	145
2012-13	170
2013-14	210
2014-15	220
2015-16	230

Year	FRP
2016-17	230
2017-18	255
2018-19	275
2019-20	275
2020-21	285

(Source: Industry Reports & Ventura Research)

## Drivers of sugar demand in India

**Rising population:** India is the second most populous country after China, with a population of 1.39 billion in 2020-21, 0.97% higher over the previous year, which is expected to drive sugar demand. (Source: India Today)

**Growing chocolate demand:** The Indian chocolate market was estimated at US\$ 1.9 billion in 2020 on the back of the increasing youth population of the country, driving sugar demand. (Source: IMARC)

**Rise in confectionery sales:** The Indian sugar confectionery industry was estimated at ~US\$ 2.41 billion in

2020, expected to drive sugar demand. (Source: Statista)

**Robust soft drinks consumption:** India's per capita soft drink consumption was estimated at 44 bottles per year in 2016, estimated to grow to 84 bottles by 2021, validating the increasing demand for sugar. (Source: Economic Times)

## Government initiatives

• The Government maintained the minimum selling price of sugar at ₹3,100 per quintal, which was expected to improve profitability and enable mills to clear cane arrear payments to farmers.

• To control sugar supply in the country, the government imposed a monthly sugar sales quota since June 2018.

• The government announced Maximum Admissible Export Quota (MAEQ) of 6 million tonnes and subsidy of ₹3,500 crore to mills exporting sugar under this quota.

• Ethanol procurement prices for Ethanol Season Year 2021-22 (November to October) was fixed at ₹45.69 per litre in case of ethanol made from C-Heavy molasses, ₹57.61 per litre in case of ethanol made from B-Heavy molasses and ₹62.65 in case of ethanol derived directly from sugarcane juice.

## SWOT analysis

### Strengths

- India, the second largest producer of sugar in the world, is more than self-reliant for its sugar consumption
- The sugar industry is one of the largest agricultural employers
- The bagasse from sugarcane generates co-generation revenues
- The country is endowed with rich arable land
- India is among the lowest-cost sugar producers in the world
- The industry uplifts rural communities

### Weaknesses

- The sugar manufacturing technology is obsolete in most companies; most factories are more than 40 years old
- India's plantation white sugar enjoys lower global demand
- The country is completely dependent on monsoonal rain

### Opportunities

- On the back of a rising population and increased downstream demand, sugar demand is increasing in India
- There is scope of increasing ethanol production

### Threats

- Competition from cheap sugar imports
- The dependence of the sugar industry on rainfall, cultivated area and transportation cost affects sugarcane prices

## Uttar Pradesh sugar industry overview

Uttar Pradesh is the largest sugarcane producer in the country, accounting for ~51% of the total cultivated area, ~50% of the crop and 35% of sugar production. About one-fifth of India's sugarcane mill (120 out of 520) is in the state. In 2020-21SS sugarcane area was estimated at 22.92 lakh hectares against 23.21 lakh hectares area recorded in 2019-20 SS.

The State is estimated to produce in excess of 10.5 million tonnes of sugar in 2020-21SS with an approximate recovery rate of 10.75 % with B-Heavy and 11.50 % without B-Heavy. Buoyed by the ethanol blending program initiative of the Central Government many sugar mills in Uttar Pradesh have started using B heavy molasses instead of the conventional C heavy

molasses. Sugar mills have also started using cane juice syrup for making ethanol. In the coming years there is expected to paradigm shift in the product mix of sugar mills with increased percentage of revenues coming from ethanol segment. The Uttar Pradesh government increased the levy quota of molasses from 16% to 18%.

## Indian ethanol sector overview

Ethanol is a major by-product for integrated sugar mills which finds downstream applications among oil marketing companies, who blend ethanol with fuel. The average ethanol blending rate in India was estimated at

~7.43% in the last five months of ESY 2020-21 against 4.5% in 2019-20.

Out of 347 crore litres finalised by OMCs for the Ethanol Supply year (ESY) against total requirement of 458

crore litres so far contracts for 303 crore litres have been executed. India could need about 1,000 crore litre of ethanol for doping in petrol by 2030 with a view to reduce dependence on imports for meeting oil needs. India

has 330 distilleries, which can produce over 4.8 billion litres of rectified spirits (alcohol) each year. Higher ethanol production this year will absorb 20 lakh tonnes of sugar production.

The Government plans to double ethanol production and enhance the blending of ethanol and petrol to moderate oil imports. The country intends to increase ethanol production capacity from 4.26 billion litres to 6.60 billion litres from sugarcane and 5.4 billion litres from grain by 2025 to address the expected demand of 12 billion litres. The price of ethanol from sugarcane juice is pegged at ₹62.65 per litre while ethanol extracted from C-grade molasses is pegged at ₹45.69 a litre and that from B-grade molasses at ₹57.61 a litre.

India's fuel ethanol is the fastest growing ethanol program in the

world. The success of the programme has encouraged the government to achieve a 20% ethanol blending target by 2025. The government approved a scheme allocating ₹8,460 crore to increase ethanol distillation capacity. The government will bear interest subvention for five years, including a one-year moratorium against the loan availed by project proponents from banks at 6% per annum or 50% of the rate of interest charged by banks (whichever is lower). Interest subvention will be available to only those distilleries that supply at least 75% of ethanol produced from the added distillation capacity to oil marketing companies (OMCs) for blending with petrol. Investment valued ₹40,120 crore in the ethanol value chain is expected to be generated due to the interest subvention scheme, which will encourage farmers to

produce more due to high realisations, reinforcing the Atmanirbhar Bharat vision.

Sugar mills in Uttar Pradesh are estimated to have diverted 6.74 lakh tonnes of sugar through B-heavy molasses and sugarcane juice for ethanol production this season against 3.70 lakh tonnes in 2019-20. Uttar Pradesh, with an annual ethanol production capacity of 1.4 billion litres, emerged as India's largest ethanol producer. In Maharashtra, mills are estimated to divert 6.55 lakh tonnes of sugar for ethanol production as against 1.42 lakh tonnes in 2019-20. Mills in Karnataka are estimated to divert 5.41 lakh tonnes compared to 2.42 lakh tonnes last year. (Source: *Economic Times, Business Standard, The Hindu, Mint, International sugar journal.com*)

### Ethanol blending % under EPB Scheme

Year	Blending rate (%)
2015	3.0
2016	4.3
2017	2.4
2018	4.0
2019	4.5
2020	5.0
2021 (Estimated)	8.5
After 2023 (Estimated)	20.0

Source: Industry

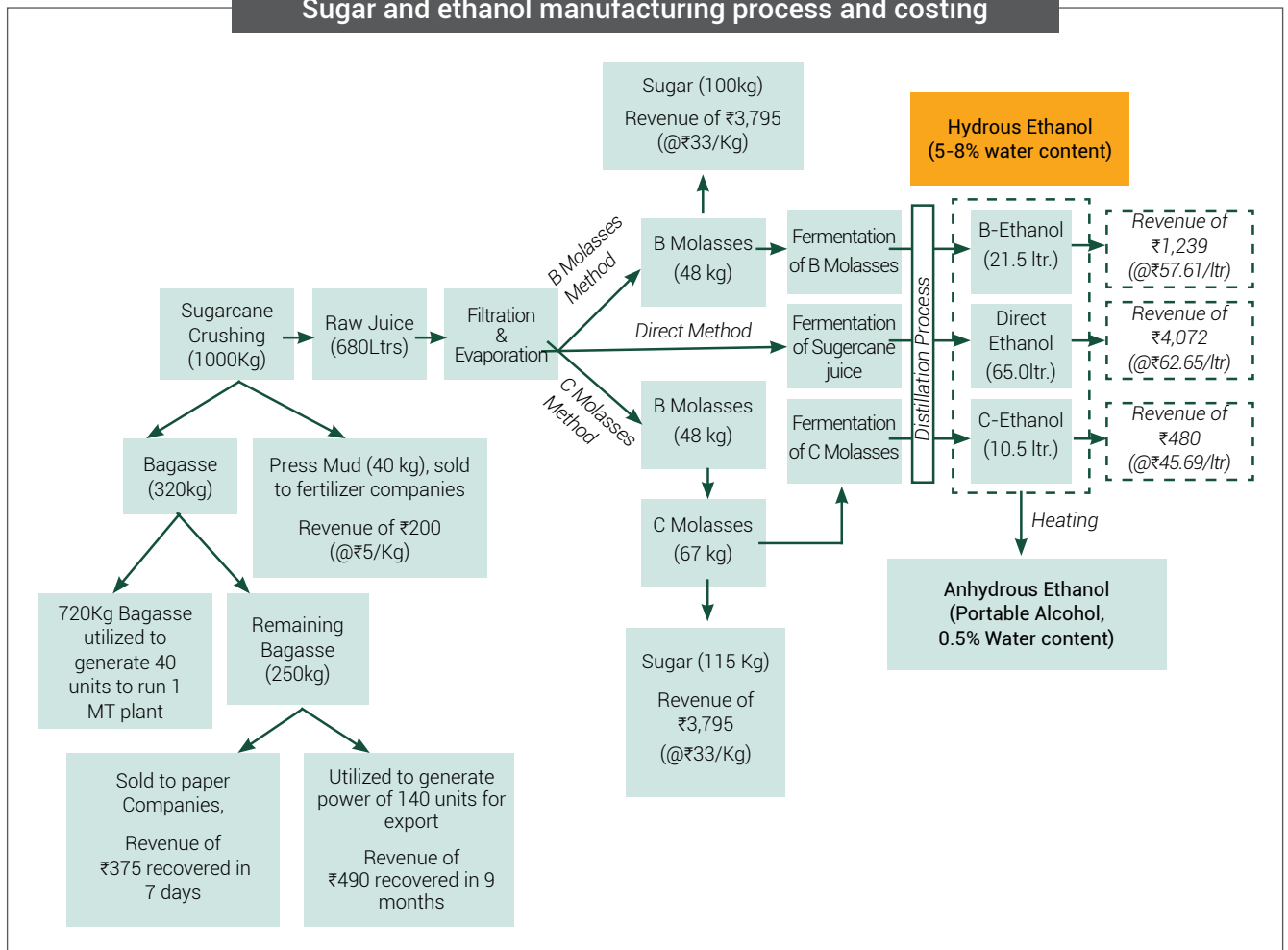
### Ethanol realisations per litre (Rs)

Ethanol type	ESY19	ESY20	ESY21
Direct ethanol	59.19	59.48	62.65
C-heavy ethanol	43.46	43.75	45.69
B-heavy ethanol	52.43	54.27	57.61

(Source: Industry Reports & Ventura Research)



## Sugar and ethanol manufacturing process and costing



## Indian co-generation sector overview

With the setting up of new sugar mills and the modernisation of existing ones, bagasse-based co-generation throughput was an estimated 10,000 MW in 2020-21. Moreover with use of high pressure and high-temperature power generation cycles, the throughput increased to an estimated 15,000+ MW. The availability of biomass in the country was projected at around 500 million metric tonnes per annum. India has an additional biomass availability of around 120-150 million metric tonnes each year. Moreover, about 7,000 MW extra power might be produced through bagasse-based cogeneration in 550 sugar mills across the country, if these sugar mills were to adopt economically optimum

levels of cogeneration for extracting power from the bagasse produced by them.

The fuel most preferred for captive generation is coal, which accounts for 56% of the fuel mix in India. Since the electricity is primarily generated using residual bagasse, a by-product of sugar, additional expenses are not mandated to be incurred by sugar mills within their factory premises. This resulted in the smoothening of the discovery of better margins for sugar companies who are in long term power purchase agreements with State owned Power distribution companies in the co-generation segment and modified electricity costs. The average spot power price declined from ₹2.92

per unit as of 31<sup>st</sup> December, 2019 to ₹2.83 per unit as of 31<sup>st</sup> December, 2020, recording a decline of around 3%.

Furthermore, the Ministry of New and Renewable Energy (MNRE) has launched a scheme to assist in biomass-based cogeneration in sugar mills and in other industries. Under this scheme, 70 biomass cogeneration projects are under implementation with surplus capacity standing at 800 MW. States which are leading with regard to the implementation of bagasse cogeneration projects comprise Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Uttar Pradesh. (Source: MNRE, Business world, Ijert, Crespai)

## Financial analysis and operational snapshot

### Sugarcane crushed and sugar produced across three units (2020-21)

Particulars	2019-20	2020-21	Change%
Crushing (lakh quintal)	328.07	397.14	21.05%
Recovery % (gross - adjusted)	12.44	12.20	-1.92%
Recovery % (net)	12.28	11.54	-6.03%
Production (lakh quintal)	40.35	45.93	13.83%

2020-21 (1.4.2020 to 31.3.2021), includes a minor part of SS2019-20 and a major part of SS2020-21

### SS2020-21 vis a vis SS2019-20 across three units

Particulars	2020-21	2019-20
Crushing (lakh quintal)	354.96	336.66
Recovery % (gross- adjusted)	12.28	12.46
Recovery % (net)	11.38	12.30
Production (lakh quintal)	40.27	41.11

For both seasons, from start of season till 30<sup>th</sup> April of the respective year

### Operational highlights, 2020-21

#### Sugar

- Sugarcane crushing up by more than 21%
- 24 bps reduction in gross – adjusted recovery
- Increased use of B heavy molasses for making ethanol

#### Cogeneration

- Sold 1,709.23 lakh units worth ₹5,221 lakh vis-à-vis 1,632.79 lakh units worth ₹4,808 lakh in 2019-20

#### Distillery

- Sold 317.32 lakh litres of industrial alcohol worth ₹159 crore vis-à-vis 115.62 lakh litres worth ₹56 crore in 2019-20

### Financial highlights, 2020-21

Particulars	2020-21		2019-20	
	(₹ lakh)	(%)	(₹ lakh)	(%)
Net revenue (from operations)	1,83,885	100.00	1,33,613	100.00
EBITDA	20,835	11.33	14,147	10.59
EBTDA	16,070	8.74	10,844	8.12
EBT	11,980	6.52	7,157	5.36
EAT	9,154	4.98	7,345	5.50

- EBITDA margin stood at 11.33% compared to 10.59% in the previous year. Higher margin is mainly on account of higher margin on ethanol sale adjusted with lower margin in case of higher volume of sugar exported during the current FY.
- Recorded net profit of ₹9,154 lakh @ a margin of 4.98% vis-à-vis ₹7,345

lakh 5.50% in 2019-20. Lower net profit margin during the current FY is on account of higher provisioning of taxes.

- Rated A+ with stable outlook for long-term loans and A1+ for short-term loans (commercial paper programme) by ICRA.

#### Accounting policies

The financial statements of the Company have been created in compliance with the requirements of the Companies Act, 2013 and IND AS. The accounting policies followed by the Company form an integral part of the annual report.

## BUSINESS SEGMENT REVIEW



Revenue includes internal revenues as well

### Overview

Dwarikesh commissioned its maiden manufacturing unit in Bijnor with a cane crushing capacity of 2,500 tonnes per day in 1995. The Company is now spread across three manufacturing facilities with an aggregate cane crushing capacity of 21,500 tonnes per day- two units in Bijnor district and one in Bareilly district.

Over the years, Dwarikesh invested in various initiatives to improve cane yield, enhance recovery and optimise costs. These initiatives have comprised tight cane inventory management, shift from manual to mechanical loading (tractor-mounted loading), utilisation of 'brick' sowing to combat soil sludge during the monsoons, engagement with farmers through WhatsApp groups and the increased use of digital cane supply notices to farmers to enhance process transparency.

Over the years, Dwarikesh has also modernised & automated its plants so as to enhance efficiencies, minimise losses and optimise recoveries.

## Highlights, 2020-21


- Crushed 397.14 lakh quintals of cane, up from 328.07 lakh quintals of cane in the previous year.
- Net recovery lower at 11.54% as compared to net recovery of 12.28% in 2019-20. Gross & adjusted recovery after considering diversion for B heavy molasses is 12.20% as compared to 12.44% in 2019-20.
- Lower recovery is on account sub-optimal weather conditions resulting in significant drop in recovery in case of ratoon crop.

## Challenges and responses

- Excessive dependence on particular variety. The company as well as the industry needs to reduce its dependence on Co0238 variety. In case of failure of the variety for any reason, large scale substitution with another variety will be challenge. Your company is trying to propagate other early varieties to mitigate this challenge.
- Above variety is also prone to attack of red-rot pest. Your company is taking all precaution and encouraging farmers to uproot the affected clumps and also to take preventive measures.
- Recovery of the company is closer to the saturation level. Company is not only enhancing plant efficiencies but also working on incubation & development of other high recovery yielding varieties.

## Way ahead

- Government's positive interventions in normalising the sugar sector bode well for the Company, which will engage deeper with farmers, operate plants at optimal capacity and strengthen its financial performance. It will also work on development of other newer and richer varieties of sugarcane.
- With increased focus on ethanol contribution from sugar segment will moderate in the times to come.



# Distillery



## Overview

Dwarikesh commissioned a distillery at Dwarikesh Nagar in Bijnor district (capacity 30 kilolitres per day) in 2005. Originally commissioned for manufacture of industrial alcohol / rectified spirit the distillery was in course of time used for manufacture of ethanol to provide ethanol to proximate depots of oil marketing companies. The Central Government's ethanol blending programme is part of a long-term direction aimed at moderating the cyclical nature of the sugar industry and reducing national dependence on imported fuel.

During 2019-20 Dwarikesh executed the capital expenditure plan to scale its distillery capacity at its existing plant by 100 kilolitres per day. Following the expansion, Dwarikesh is now empowered to produce more than 4 crore litres of ethanol and use B heavy molasses generated in two of its units. The Company has installed best-in-class boilers and effluent treatment equipment to take this business ahead.

Operating its distillery at 130 KLPD from November, 2020 onwards the benefits will now accrue in the foreseeable future. The plant focuses on incinerating effluents generated, thus offering leeway to the distillery to extend operations to more than 315 days a year, thus strengthening revenues.

## Highlights, 2020-21

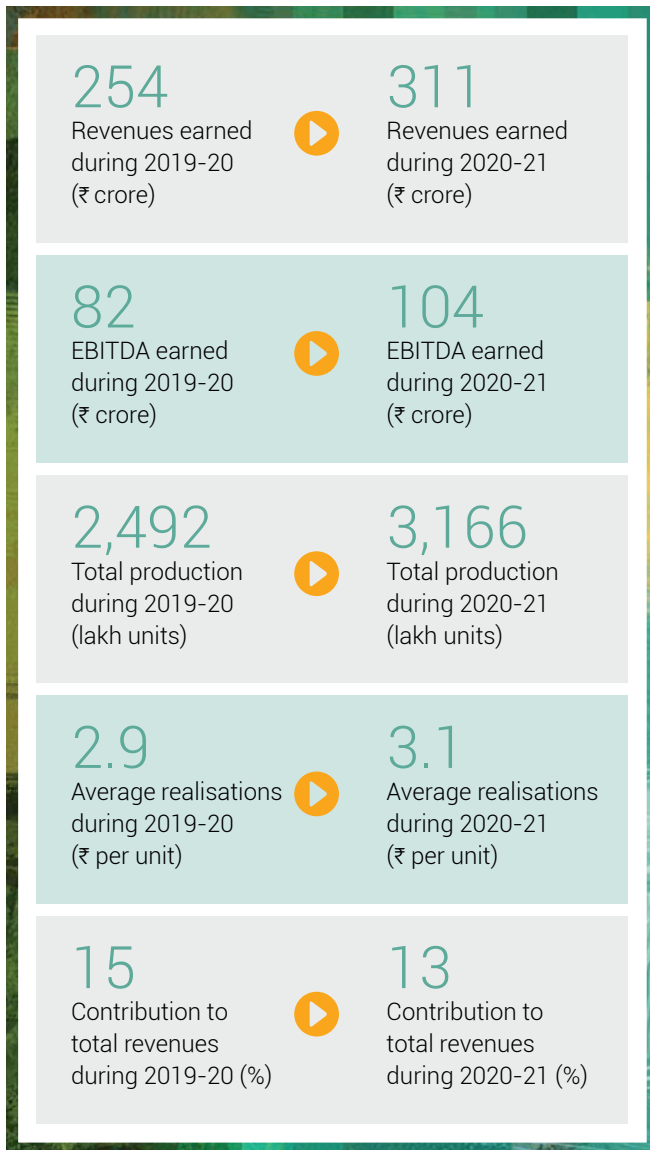
- Sold 317.32 lakh litres of industrial alcohol worth ₹159 crore lakh vis-à-vis 115.62 lakh litres worth ₹56 crore in 2019-20.

## Achievements, 2020-21

Optimal mix of cane juice and B heavy molasses will be used as feedstock in the increased distillery capacity for broad-basing ethanol revenues.



## BUSINESS SEGMENT REVIEW



Revenues include internal revenues as well  
Average realisation is with respect to power evacuated to the State Grid

### Overview

The Company extended into the business of cogeneration when it commissioned its first power plant in 1996 with an initial capacity of 6 megawatts (expanded to 9 megawatts in 2002). The Company's cumulative cogeneration capacity stands at 91 megawatts.

### Highlights, 2020-21

- Utilised 1,45,713 megawatts of power and sold 1,70,923 megawatts to the state electricity grid.



# Risk management

## Our business divisions and risk probability

Divisions	Risk probabilities	Reasons
Sugar	High-moderate	Competitive market
Distillery	Moderate-low	Differentiated products and market
Power	Moderate	New product

### Raw material availability risk:

Shortage in cane availability can affect sugar production.

**Mitigation:** The Company strategically located plants in cane-growing regions of Uttar Pradesh, ensuring abundant cane availability.

### Policy risk:

Unfavourable policy interventions could impact operations.

**Mitigation:** The Government has taken initiatives to empower the sugar sector, which includes the introduction of a minimum selling price to ensure fair prices and provide soft loans to reduce cane arrears.

### Farmer relationships risk:

Disturbed relationships with farmers could affect procurement quantum and quality.

**Mitigation:** The Company remunerates farmers fairly and timely. The Company undertakes proactive measures to educate farmers and provides seeds and insecticides at subsidised rates, laying the foundation for enduring farmer relationships.

### Demand-supply risk:

Rising sugar inventories could threaten sugar prices and affect realisations.

**Mitigation:** Dwarikesh's focus lies in servicing customers with superior quality lab-tested sugar. Owing to a consistent product quality and superior inventory management, the Company reported consistent demand through the year.

### Working capital risk:

In an industry marked by high inventory, optimal capital availability is a must.

**Mitigation:** Dwarikesh operates in a volatile sugar segment, complemented by ethanol and cogeneration divisions. The ethanol and co-generation segments help the Company enhance liquidity.

## Internal control systems and their adequacy

Dwarikesh Sugar Industries Limited believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardising operational processes. The Company

possesses a robust internal control system to review performance, track operations and gauge liquidity. The system also ensures that all transactions are duly reported and all assets are properly safeguarded.

Timely review of operations and recommendations of auditors allow the Company to make corrections whenever and wherever necessary.

## Human resource management

The Dwarikesh Parivaar (Dwarikesh family) comprises 764 full-time permanent employees and their dependants besides seasonal employees. The Company believes that its employees are its biggest asset, focusing on their personal and professional advancement through a culture of empowerment, trust and career growth.

### HR goals

- Establishing healthy linkages to continuous improvement in productivity, quality, cost competitiveness and efficiency.
- Carrying out continuous improvements in all areas of work to increase competitiveness and retain customer focus.
- Simplifying complex problems to focus on critical issues and maintain a lean organisation structure.
- Empowering and motivating the employees to do their best through decentralised operations.

- Recruiting the right candidates with positive attitude and growth potential.
- Specifications of qualifications and experience customised for different jobs.
- Providing opportunities of employment for all irrespective of caste, religion, region or any other criteria.
- Rewards and recognition based on meritocracy and achievement of pre-stated target.
- To provide proper induction and orientation to all levels and share the group visions for early integration in the group.
- To develop a sense of pride, belongingness, pleasure and social fulfilment in being a member of DSIL family.
- Providing opportunity at all levels to participate in the decision making process of the Company.

- Providing feedback to the employees on their performance, strengths and weakness to increase efficiency.

### Initiatives undertaken to achieve these goals

- The Company, through the DSIL Trainee Scheme, develops a pool of qualified and skilled individuals that can be deployed across functions.
- The Company conducts quarterly/ half-yearly trainee assessments; appraisals are based on employee performance; the Company implemented an HR software for online appraisal.
- The Company catalyses personal employee growth by plugging vacancies from within.
- The Company reviews and audits policies at regular intervals.
- The Company conducts off-season training to keep employees abreast with the latest technologies.

## Cautionary statement

The statements in the management discussion and analysis section with regard to projections, estimates and expectations have been made in good

faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are

gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

# Notice

**NOTICE** is hereby given pursuant to the relevant provisions of the Companies Act, 2013 (the "Companies Act") read with the Companies (Management and Administration) Rules, 2014 (the "Management Rules"), and other applicable provisions, if any, that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Company will be held on Tuesday, 20<sup>th</sup> July, 2021 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri G. R. Morarka (DIN: 00002078), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS:

4. To re-appoint Shri B. J. Maheshwari as a Managing Director & CS Cum CCO and in this regard pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to provisions of Section 178, 196, 203 of the Companies Act, 2013 and the other rules made thereunder and SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the shareholders be and is hereby accorded for re-appointment of Shri B. J. Maheshwari (DIN: 00002075) as a Managing Director & CS cum CCO w.e.f. 1<sup>st</sup> May, 2021 for a further period of 3 years and on such terms and conditions as decided by the Board.

**RESOLVED FURTHER THAT** he will also act as Compliance officer of the Company so as to look after all legal and secretarial matters of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to file necessary e-forms with ROC to give effect to the aforesaid resolutions."

5. To re-appoint Shri Vijay S. Banka as a Managing Director and in this regard pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to provisions of Section 178, 196, 203 of the Companies Act, 2013 and the other rules made thereunder and SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the shareholders be and is hereby accorded for re-appointment of Shri Vijay S. Banka (DIN: 00963355) as a Managing Director w.e.f. 1<sup>st</sup> May, 2021 for a further period of 3 years and on such terms and conditions as decided by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to file necessary e-forms with ROC to give effect to the aforesaid resolutions."

6. To fix remuneration range of Shri B. J. Maheshwari, Managing Director & CS cum CCO of the company and in this regard pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and 198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company, approval of Shareholders of the Company be and is hereby accorded for payment of remuneration to Shri B. J. Maheshwari (DIN: 00002075), Managing Director & CS cum CCO of the Company, including remuneration to be paid for the period of 3 years for which the appointment is valid viz. from 1<sup>st</sup> May, 2021 to 30<sup>th</sup> April, 2024 on the terms and conditions as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

7. To fix remuneration range of Shri Vijay S. Banka, Managing Director of the company and in this regard pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and 198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory

modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company, approval of Shareholders of the Company be and is hereby accorded for payment of remuneration to Shri Vijay S. Banka (DIN: 00963355), Managing Director of the Company, including remuneration to be paid for the period of 3 years for which the appointment is valid viz. from 1<sup>st</sup> May, 2021 to 30<sup>th</sup> April, 2024 on the terms and conditions as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

8. To appoint Shri Gopal B. Hosur as an Independent Director and in this regard to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Gopal B. Hosur (DIN: 08884883) who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 2<sup>nd</sup> November, 2020 and based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period up to 5 years."

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

9. To appoint Shri Rajan K. Medhekar as an Independent Director and in this regard to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of

the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Rajan K. Medhekar (DIN: 07940253) who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 2<sup>nd</sup> November, 2020 and based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period up to 5 years."

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

10. To appoint Cost Auditor for the Financial Year 2021-22 and in this regard pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Co., Cost Accountants (Firm Reg. No. 000019) who has been appointed by the Board as Cost Auditors of the Company, be and is hereby approved to conduct audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022, for remuneration as set out in the explanatory statement annexed hereto."

By the Order of the Board,  
For Dwarikesh Sugar Industries Limited

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

B. J. Maheshwari  
Managing Director & CS cum CCO  
(DIN: 00002075)

**Registered Office:**

Dwarikesh Sugar Industries Limited  
Dwarikesh Nagar-246762, Dist: Bijnor, Uttar Pradesh  
CIN: L15421UP1993PLC018642  
Web: www.dwarikesh.com  
E-mail: investors@dwarikesh.com  
Tel: 01343-267061/64 Fax: 01343-267065



## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment and re-appointment at this AGM is annexed.
4. 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 MCA Circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. 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 to atleast 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.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Institutional/Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vkmassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
8. The Register of Members & Share Transfer Books of the Company will be closed from Wednesday, 14<sup>th</sup> July, 2021 to Tuesday, 20<sup>th</sup> July, 2021 (both days inclusive) for the purpose of identification of members who shall be entitled to receive Dividend and Annual report and attend Annual General Meeting of the Company.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Universal Capital Securities Private Limited ("RTA") for assistance in this regard.
10. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

12. Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form SH-13 which can be obtained from the Company's RTA.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 13<sup>th</sup> July, 2021 through email on [investors@dwarikesh.com](mailto:investors@dwarikesh.com). The same will be replied by the Company suitably.
16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.dwarikesh.com](http://www.dwarikesh.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL <https://www.evotingindia.com/>
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. At the 23<sup>rd</sup> AGM held on 19<sup>th</sup> August, 2017 the Members approved appointment of NSBP & Co, Chartered Accountants (Firm Registration No. 001075N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 28<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7<sup>th</sup> May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 27<sup>th</sup> AGM.
20. SEBI has mandated the submission of PAN by every participant in securities market. Members who are holding the shares in electronic mode are therefore requested to submit the PAN to their depository participants with whom they are having their demat accounts. Members having shares in physical form can submit their PAN details to the company or its RTA.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. The Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the RTA of the Company as on 18<sup>th</sup> June, 2021.
23. In compliance of provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e-voting as per the instructions below:  
**Details of Scrutinizer:** M/s VKM & Associates has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner.  
The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
24. A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the AGM. Since the AGM is held through VC/OAVM and voting through ballot paper will not be provided. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dwarikesh.com](http://www.dwarikesh.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two days of the 27<sup>th</sup> AGM of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively where the shares of the Company are listed.
25. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after

April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, no tax will be deducted on payment of dividend to the resident individual shareholder, if the total dividend, paid during Financial year ('FY') 2021-22, does not exceed INR 5,000/-.

The TDS rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents to the Company as below:

## A. RESIDENT SHAREHOLDERS:

### A.1 Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding INR 5,000 during the FY 2021-22)

Sl. No.	Particular	TDS rate	Declaration / documents required
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Shareholder	10%	N.A.
2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	N.A.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Copy of lower TDS certificate obtained from Income Tax Department</li> </ul>

### A.2 Nil Tax Deductible at Source on dividend payment to Resident Shareholders, if the Shareholders submit documents mentioned in table below with the Company/ RTA

Sl. No.	Particular	Declaration / documents required
1	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> <li>• Copy of PAN card (refer point (iii) to the Notes below)</li> <li>• Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.</li> </ul>
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, InVIT) etc.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration (Please download Annexure-1 from website of the company), along with adequate documentary evidence (e.g., registration certificate), to the effect that the no TDS is required as per provisions of section 194 of the Act.</li> </ul>
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration (Please download Annexure-1 from website of the company), along with adequate documentary evidence, substantiating applicability of 196 of the Act.</li> </ul>
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration (Please download Annexure-1 from website of the company) that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.</li> </ul>

Sl. No.	Particular	Declaration / documents required
5	Any other entity exempt from TDS under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration (Please download Annexure-1 &amp; 2, from the website of the company) along with adequate documentary evidence, substantiating the nature of the entity</li> <li>• Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)</li> </ul>

## B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders.

Sl. No.	Category	TDS rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration (Please download the Annexure-3, from the website of the company).</li> <li>• Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2021 and financial year 2022 (covering the period from April 1, 2021 to March 31, 2022)</li> <li>• Self-Declaration in Form 10F (Please download Annexure-5, from the website of the company).</li> </ul> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)#	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration (Please download Annexure-4, from the website of the company) along with adequate documentary evidence substantiating the nature of the entity</li> </ul>
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Copy of PAN card (if available)</li> <li>2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2021 and financial year 2022 (covering the period from April 1, 2021 to March 31, 2022)</li> <li>3. Self-Declaration in Form 10F (Please download Annexure-5, from the website of the company)</li> <li>4. Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Please download Annexure-6, from the website of the company)</li> </ol> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>

Sl. No.	Category	TDS rate	Declaration / documents required
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.</li> <li>• Self-Declaration (Please download the Annexure-7 &amp; 8, from the website of the company) that the conditions specified in section 10(23FE) have been complied with</li> </ul>
6	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	Self-Declaration (Please download Annexure-9 from the website of the company) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the Act
7	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	Copy of the lower TDS certificate obtained from Income Tax Department

#In case PAN is not updated with the Company's RTA or depository, or PAN is not available; and information sought in the declaration are not provided, higher rate of TDS as per section 206AA shall be applied.

#### Notes:

- i. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) whose address is given below [dwarikeshtds@unisec.in](mailto:dwarikeshtds@unisec.in) Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
- ii. The Company will issue soft copy of the TDS certificate to its shareholders to email registered with the Depository Participant / RTA post payment of the dividend. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/foportal> (refer to Form 26AS).
- iii. The aforesaid documents and all the declarations such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be shared by email on [dwarikeshtds@unisec.in](mailto:dwarikeshtds@unisec.in) by July 9, 2021. Any communication in relation to tax rate determination/ deduction/TDS matters received after July 9, 2021 shall not be considered. Further, the shareholders can download the format of Annexures on the website of the company at <https://www.dwarikesh.com/dividend.html>
- iv. A declaration must be filed with the Company in Annexure-10 (please download declaration format from the website of the company), where the shareholder being resident individual eligible for obtaining Aadhaar Number have not intimated/ linked the Aadhar Number allotted with its PAN by June 30, 2021. In such a case,



the allotted PAN would be treated as inoperative for the provisions of deduction of TDS on the dividend declared by the Company.

- v. A declaration must be filed with the Company in Annexure-11 (please download declaration format from the website of the company), where the shareholder is a resident or in Annexure-6 where the shareholder is a non-resident but have a Permanent Establishment in India, and have not regularly filed its income tax return as required under section 139 of the Act. In such a case, the Company shall deduct TDS as per the provisions of section 206AB of the Act, for dividend where TDS is required to be deducted after June 30, 2021.
- vi. After receipt of any of the above declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
- vii. Determination of TDS rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form as on the Record Date, and other documents available with the Company / RTA. In this respect, the company reserves the right to independently verify the PAN number of the shareholder from the National Securities Depository Ltd. ('NSDL') utility and if the same is found contrary to the PAN quoted/ provided, the company will disregard the PAN and proceed as per the prevalent law.
- viii. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
- ix. The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
- x. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
- xi. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company

with all information / documents and co-operation in any tax proceedings.

- xii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
  - xiii. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate, as applicable, without any further communication in this regard.
  - xiv. A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the shareholder in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income.
26. The Company has fixed Tuesday, 13<sup>th</sup> July, 2021 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31<sup>st</sup> March, 2021, if approved at the AGM.
27. Instructions for e-voting and joining the AGM are as follows:

**A. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

The instructions for members voting electronically are as under:

- (i) The voting period begins on 17<sup>th</sup> July, 2021 at 9.00 a.m. and ends on 19<sup>th</sup> July, 2021 at 5.00 p.m. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13<sup>th</sup> July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December, 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.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/ EasiRegistration">https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</a>
	4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>

Type of shareholders	Login Method
	3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-voting and joining virtual meeting for shareholders **other than individual shareholders holding in Demat form & physical shareholders.**

(vi) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(vii) Click on "Shareholders" module.

(viii) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(ix) Next enter the Image Verification as displayed and Click on Login.

(x) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(xi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(xii) After entering these details appropriately, click on "SUBMIT" tab.

(xiii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xiv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xv) Click on the EVSN for the relevant <Dwarikesh Sugar Industries Limited> on which you choose to vote.

(xvi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xviii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xx) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xxi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xxii) Facility for Non - Individual Shareholders and Custodians - Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and

password. The Compliance User would be able to link the account(s) for which they wish to vote on.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@dwarikesh.com](mailto:investors@dwarikesh.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@dwarikesh.com](mailto:investors@dwarikesh.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility

of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - please provide necessary details like 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 Company/RTA.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

(xiii) If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

(xiv) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

#### **ITEM NO. 4**

The term of Shri B. J. Maheshwari (DIN: 00002075) as a Managing Director & CS cum CCO has expired on 30<sup>th</sup> April, 2021. Based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, it is proposed to re-appoint Shri B. J. Maheshwari as a Managing Director & CS cum CCO of the Company for a further period of three years viz. from 1<sup>st</sup> May, 2021 to 30<sup>th</sup> April, 2024 on such terms and conditions as the Board may deem fit.

A statement containing his profile is given hereunder in the disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except Shri B. J. Maheshwari is in any way concerned or interested in the proposed resolution.

#### **ITEM NO. 5**

The term of Shri Vijay S. Banka (DIN: 00963355) as a Managing Director has expired on 30<sup>th</sup> April, 2021. Based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, it is proposed to re-appoint Shri Vijay S. Banka as a Managing Director of the Company for a further period of three years viz. from 1<sup>st</sup>

May, 2021 to 30<sup>th</sup> April, 2024 on such terms and conditions as the Board may deem fit.

A statement containing his profile is given hereunder in the disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except Shri Vijay S. Banka is in any way concerned or interested in the proposed resolution.

#### **ITEM NO.6**

It is proposed to re-appoint Shri B. J. Maheshwari (DIN: 00002075) as a Managing Director & CS cum CCO of the Company for a period of three years viz. from 1<sup>st</sup> May, 2021 to 30<sup>th</sup> April, 2024 and for his extended tenure it is proposed to fix his remuneration on the terms and conditions as mentioned below:

#### **SECTION 1**

##### **Remuneration payable when the Company has Profits:**

Remuneration by way of salary, perquisites, commission, allowances and other benefits shall be payable to Shri B. J. Maheshwari subject to the condition that the total remuneration payable to all the Whole Time Directors taken together shall not exceed 10% of the Net Profits of the Company computed u/s 198 of the Companies Act, 2013.



## SECTION 2

### Minimum Remuneration

#### Category A

##### 1. Remuneration:

- a) Salary (Basic): ₹2,30,000/- per month in the scale of ₹2,00,000/- p.m. to ₹5,00,000/- p.m. as per rules of the Company.
- b) Perquisites and allowances:
  - i) Personal Pay: Personal pay of ₹7,06,198/- p.m. in the scale of ₹4,00,000/- p.m. to ₹10,00,000/- p.m. as per the rules of the Company.
  - ii) Other Allowances: Allowances for Vehicle ₹30,000/- Children Education allowance and such other allowances as per rules of the Company or ex-gratia or bonus or in any other form.
  - iii) Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances in, benefits and perquisites as the Board of Directors or committee may decide from time to time.

Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

#### Category B

- c) Others:
  - i) Contribution to Provident Fund: Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
  - ii) Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
  - iii) Leave: Encashment of leave at the end of the tenure as per the Rules of the Company.
  - iv) Conveyance: The Company shall provide him with car, expenses relating to fuel, maintenance and Provision of Driver or remuneration of driver will be reimbursed on actuals.
  - v) Communication: Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

##### Explanations:

- I. Provision of Chauffeur driven car in case of Company owned car or provision of Driver's remuneration and fuel expenses for running in case of self-owned car for Company's business purposes and Telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites. Personal Long distance calls and use of car for private purpose shall be billed by the Company to the Managing

Director.

Perquisites or amenities specified in Category B are not to be included in the computation of ceiling on minimum remuneration specified herein above.

##### II. Overall remuneration:

The aggregate of salary, perquisites, benefits and other allowances or remuneration in any other form in any Financial Year shall not exceed the limits prescribed from time to time under Sections 196,197 and other applicable provisions of the Companies Act, 2013 as may for the time being, be in force.

##### III. Minimum remuneration:

In the event of loss or in adequacy of profits, in any financial year, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force such as not to exceed two times the limits provided in Table A of section II of Schedule V of Companies Act, 2013.

##### IV. Other Terms and Conditions:

Other terms and conditions of re-appointment of Shri B. J. Maheshwari, the Managing Director & CS cum CCO of the Company are as under:

- a. The Managing Director & CS Cum CCO shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Managing Director & CS Cum CCO shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. If at any time Shri B. J. Maheshwari ceases to be the Managing Director & CS Cum CCO of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except Shri B. J. Maheshwari is in any way concerned or interested in the proposed resolution.

## ITEM NO. 7

It is proposed to re-appoint Shri Vijay S. Banka (DIN: 00963355) as a Managing Director of the Company for a period of three years viz. from 1<sup>st</sup> May, 2021 to 30<sup>th</sup> April, 2024 and for his extended tenure it is proposed to fix his remuneration on the terms and conditions as mentioned below:

## SECTION 1

### Remuneration payable when the Company has Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits shall be payable to Shri Vijay S. Banka subject to the condition that the total remuneration payable to all the Whole Time Directors taken together shall not exceed 10% of the Net Profits of the Company computed u/s 198 of the Companies Act, 2013.

## SECTION 2

### Minimum Remuneration

#### Category A

##### 1. Remuneration:

- a) Salary (Basic): ₹2,30,000/- per month in the scale of ₹2,00,000/- p.m. to ₹5,00,000/- p.m. as per rules of the Company.
- b) Perquisites and allowances:
  - i) Personal Pay: Personal pay of ₹6,83,001/- p.m. in the scale of ₹4,00,000/- p.m. to ₹10,00,000/- p.m. as per the rules of the Company.
  - ii) Other Allowances: Allowances for Vehicle ₹50,000/- Children Education allowance and such other allowances as per rules of the Company or ex-gratia or bonus or in any other form.
  - iii) Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances in, benefits and perquisites as the Board of Directors or committee may decide from time to time.

Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

#### Category B

- c) Others:
  - i) Contribution to Provident Fund: Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
  - ii) Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
  - iii) Leave: Encashment of leave at the end of the tenure as per the Rules of the Company.
  - iv) Conveyance: The Company shall provide him with car, expenses relating to fuel, maintenance and Provision of Driver or remuneration of driver will be reimbursed on actuals.
  - v) Communication: Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

### Explanations:

- I. Provision of Chauffeur driven car in case of Company owned car or provision of Driver's remuneration and fuel expenses for running in case of self-owned car for Company's business purposes and Telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites. Personal Long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

Perquisites or amenities specified in Category B are not to be included in the computation of ceiling on minimum remuneration specified herein above.

- II. Overall remuneration:

The aggregate of salary, perquisites, benefits and other allowances or remuneration in any other form in any Financial Year shall not exceed the limits prescribed from time to time under Sections 196,197 and other applicable provisions of the Companies Act, 2013 as may for the time being, be in force.

- III. Minimum remuneration:

In the event of loss or in adequacy of profits, in any financial year, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force such as not to exceed two times the limits provided in Table A of section II of Schedule V of Companies Act, 2013.

- IV. Other Terms and Conditions:

Other terms and conditions of re-appointment of Shri Vijay S. Banka, the Managing Director of the Company are as under:

- a. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. If at any time Shri Vijay S. Banka ceases to be the Managing Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except

Shri Vijay S. Banka is in any way concerned or interested in the proposed resolution.

### ITEM NO. 8

To broad base the Board, Shri Gopal Hosur (DIN: 08884883) was appointed as an Additional Independent Director by the Board of Directors of the Company with effect from 2<sup>nd</sup> November, 2020. As per Section 161 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rules made thereunder, his tenure of appointment shall be upto the date of next Annual General Meeting, wherein he will be eligible for re-appointment for a period of 5 years till 1<sup>st</sup> November, 2025. His appointment has been recommended by Nomination & Remuneration Committee.

Shri Gopal B. Hosur is a retired IPS Officer. He has been in Public service for the last 36 years and have made contributions to good governance in the core area of Law and Order, Crime and in administration of Criminal Justice System. The focus was to redress grievances of law abiding citizens and provide a safe and secure environment. Later on, had a 5 year stint with JSW Steel, a large corporate which is contributing to the growth of nation's economy.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 8 of the Notice for the appointment of Shri Gopal B. Hosur, not liable to retire by rotation.

A statement containing his profile is given hereunder in the disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except Shri Gopal B. Hosur is in any way concerned or interested in the proposed resolution.

### ITEM NO. 9

To broad base the Board, Shri Rajan K. Medhekar (DIN: 07940253) was appointed as an Additional Independent Director by the Board of Directors of the Company with effect from 2<sup>nd</sup> November, 2020. As per Section 161 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rules made thereunder, his tenure of appointment shall be upto the date of next Annual General Meeting, wherein he will be eligible for re-appointment for a period of 5 years till 1<sup>st</sup> November, 2025. His appointment has been recommended by Nomination & Remuneration Committee.

Shri Rajan K. Medhekar is an officer of the premier Indian Police Service (IPS, 1975 Batch) for 37 years he served with distinction in several important and sensitive assignments both in his cadre with the Kerala State Police, Government of Kerala and on deputation with the Government of India concluding his career in the IPS as the Director General of the elite National Security Guard (NSG), India's premier Federal Contingency Special Force for Counter-Terrorism and Anti-Hijack operations. He also is currently the Director General of the International Institute of Security and Safety Management

(IISSM), New Delhi, a not-for-profit, ISO 9001:2015 certified training institution with a 30-year track record as a centre of excellence.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 9 of the Notice for the appointment of Shri Rajan K. Medhekar, not liable to retire by rotation.

A statement containing his profile is given hereunder in the disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors, Key Managerial Persons (KMPs) of the Company or the relatives of Directors or KMPs, except Shri Rajan K. Medhekar is in any way concerned or interested in the proposed resolution.

### ITEM NO. 10

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Accountants (Firm Regn. No.000019) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31<sup>st</sup> March, 2022 at a remuneration of ₹1,55,000/- p.a. exclusive of travelling, boarding, lodging and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 10 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, are concerned or interested, financially or otherwise, in the proposed resolution.

By the Order of the Board,  
For Dwarikesh Sugar Industries Limited

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021  
**B. J. Maheshwari**  
*Managing Director & CS cum CCO*  
(DIN: 00002075)

### Registered Office:

Dwarikesh Sugar Industries Limited  
Dwarikesh Nagar-246762, Dist: Bijnor, Uttar Pradesh  
CIN: L15421UP1993PLC018642  
Web: www.dwarikesh.com  
E-mail: investors@dwarikesh.com  
Tel: 01343-267061/64 Fax: 01343-267065

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Shri G. R. Morarka	Shri B. J. Maheshwari	Shri Vijay S. Banka	Shri Gopal B. Hosur	Shri Rajan K. Medhekar
Date of Birth	1 <sup>st</sup> January, 1962	2 <sup>nd</sup> May, 1960	28 <sup>th</sup> October, 1958	4 <sup>th</sup> March, 1954	12 <sup>th</sup> April, 1952
Nationality	Indian	Indian	Indian	Indian	Indian
Director since	1 <sup>st</sup> January, 2019	1 <sup>st</sup> May, 2009	1 <sup>st</sup> May, 2009	2 <sup>nd</sup> November, 2020	2 <sup>nd</sup> November, 2020
Qualifications	B.com & ICWA Inter	Chartered Accountant & Company Secretary	Chartered Accountant	Retired IPS	Retired IPS
Experience & Expertise	<p><b>Experience:</b> A dynamic entrepreneur with more than two decades of experience, he started his career by overseeing the family-run Pampasar Distillery Limited (PDL), which he subsequently divested in favour of Shaw Wallace. He launched his own business by setting up a sugar plant at Dwarikesh Nagar, Uttar Pradesh in a record period of 14 Months.</p> <p><b>Expertise:</b> Finance and Strategy</p>	<p><b>Experience:</b> He has, being CA and CS, enriched himself with expertise in the arenas of taxation – both direct and indirect, corporate law, Listing regulations, SEBI Guidelines, secretarial practice and compliance of law.</p> <p><b>Expertise:</b> Secretarial, Legal &amp; Taxation</p>	<p><b>Experience:</b> He has nearly two decades of rich experience in handling Finance and Strategy.</p> <p><b>Expertise:</b> Finance and Strategy</p>	<p><b>Experience:</b> A retired IPS Officer. He has been in Public service for the last 36 years and have made contributions to good governance in the core area of Law and Order, Crime and in administration of Criminal Justice System.</p> <p><b>Expertise:</b> Security, Intelligence &amp; Administration</p>	<p><b>Experience:</b> A retired IPS Officer. He is currently the Director General of the International Institute of Security and Safety Management (IISSM), institution with a 30-year track record as a centre of excellence.</p> <p><b>Expertise:</b> Security, Intelligence &amp; Administration</p>
Shareholding of Directors in company	28,566,590	Nil	Nil	Nil	Nil
Directorship held in other public companies excluding foreign and private companies	<ul style="list-style-type: none"> <li>• Morarka Finance Limited</li> <li>• Faridpur Sugars Limited</li> <li>• Dwarikesh Informatics Limited</li> <li>• Dwarikesh Trading Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Morarka Finance Limited</li> <li>• Faridpur Sugars Limited</li> <li>• Dwarikesh Informatics Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Morarka Finance Limited</li> <li>• Faridpur Sugars Limited</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• Geojit Financial Services Limited</li> <li>• SIS Limited</li> </ul>
Chairmanship/ Memberships of committees*	Chairmanship: (0) Membership: (1)	Chairmanship: (1) Membership: (1)	Chairmanship: (0) Membership: (2)	Chairmanship: (0) Membership: (0)	Chairmanship: (0) Membership: (2)
Relationship between Directors inter-se	NA	NA	NA	NA	NA

\*Committee Membership or Chairmanship includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (Whether listed or not)

# Directors' Report

Your Directors take pleasure in presenting their 27<sup>th</sup> (Twenty Seventh) Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2021.

## FINANCIAL RESULTS

(₹ in lakh)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Gross profit before depreciation, interest & tax	20,834.99	14,146.73
Less: Depreciation	4,089.40	3,686.56
Finance Costs	4,765.38	3,302.77
Profit / (Loss) before tax and exceptional items	11,980.21	7,157.40
Profit / (Loss) before tax	11,980.21	7,157.40
Tax expenses	2,826.38	(188.01)
Profit/(Loss) after tax	9,153.83	7,345.41
Total comprehensive income / (loss)	9,520.34	6,550.93

## DIVIDEND

Your Directors recommend payment of equity dividend of 125% i.e ₹1.25/- per Equity Share of Face value of ₹1/- each, which includes a dividend of 25% to commemorate Silver Jubilee celebration of the Company. The outgo on account of equity dividend amounts to ₹2,353.77 lakh.

## TRANSFER TO RESERVES

During the year, a sum of ₹1,500 lakh has been transferred to Capital Redemption Reserves in terms of the requirement of section 55(2)(c) of Companies Act, 2013 consequent to redemption of Preference Shares (series II) during the financial year.

## YEAR IN RETROSPECT

### Impact of Covid-19:

The COVID-19 pandemic continues to dominate global economic sentiment, still forcing governments to enforce lockdowns or restrictions on all major economic activities. The crisis has hurt sales, margins, and growth. In 2020, the largest health and economic crisis in recent history forced

companies across sectors into extraordinary measures to protect their people and maintain operations. As the priority for the Company are its stakeholders, focus and emphasis are made to ensure the health and well-being of all employees, and on minimizing disruption to services for all our customers. Work from home is still instilled in many location offices of the Company which has reinforced customer and employee confidence in the Company

While the first wave of the pandemic was somewhat reined in with the extended nation-wide lockdown the second wave of pandemic has stuck with vengeance. While the first wave was about hunger, jobs and livelihood, the second wave which is more infectious is about lives. DSIL has redesigned its standard operating procedures and set strict protocols for the benefit of its employees and their families. The impact of second wave of the pandemic has so far not resulted in significant business disruptions.

### Operations:

Distinguishing features of the crushing operations in your company are given in the succeeding paragraphs.

### Metrics of sugarcane crushed, sugar produced and recovery achieved during the year is given hereunder:

Sugarcane crushed and sugar produced across three units (2020-21)

Particulars	2019-20	2020-21	Change
Crushing (lakh quintal)	328.07	397.14	21.05%
Recovery (Gross - adjusted)	12.44	12.20	-1.92%
Recovery % (Net)	12.28	11.54	-6.03%
Production (lakh quintal)	40.35	45.93	13.83%



Sugarcane crushed & sugar produced during season 2020-21

Particulars	2019-20	2020-21
Crushing (lakh per quintal)	336.66	354.96
Recovery % (Gross – adjusted)	12.46	12.28
Recovery % (Net)	12.30	11.38
Production (lakh per quintal)	41.11	40.27

For ongoing crushing season 2020-21 (up to 30<sup>th</sup> April, 2021) vis-à-vis up to same date in SS 2019-20.

## Highlights 2020-21

- Sugarcane crushing higher by 21% than last year.
- Net Recovery @ 11.54% as compared to recovery of 12.28% last FY. This recovery is after considering diversion of B heavy molasses at Dwarikesh Nagar (DN) plant. Gross – adjusted recovery is 12.20% vis-à-vis 12.44% last FY.
- Sugar production higher on account of higher quantity of sugarcane crushed.
- Lower recovery is on account of sub-optimal weather conditions resulting in drop in yield in case of ratoon crop & resultant drop in recovery from its crushing.
- Recoveries clocked by the company still among the highest in North India.
- In an endeavor to broad-base and optimize revenues from sale of ethanol as also to moderate the production of sugar, at two of three sugar units of the company namely Dwarikesh Nagar (DN) and Dwarikesh Puram (DP) entire quantity of sugarcane was crushed by generating B heavy molasses, which was captively used in the distillery at Dwarikesh Nagar.

## Performance of cogeneration division: Metrics of power sold:

Unit	2019-20		2020-21	
	Power sold in lakh units	Amount in ₹/lakh	Power sold in lakh units	Amount in ₹/lakh
DN	290.16	847	294.76	893
DP	651.57	1,922	622.61	1,905
DD	691.06	2,039	791.86	2,423
Total	1,632.79	4,808	1,709.23	5,221

## Performance of Distillery:

During the year 308.26 lakh ltrs of industrial alcohol (previous FY 130.10 lakh ltrs) was produced and 317.32 lakh ltrs of industrial alcohol was sold. A revenue of ₹16,067 lakhs was generated which included revenue of ₹146 lakhs from sale of by-products.

During the previous FY, revenue of ₹5,601 lakhs was generated of which ₹5,600 lakhs was on account of sale of 115.62 lakh litres of industrial alcohol and balance on account of sale of by-products.

## A SUGAR INDUSTRY OVERVIEW

### Global sugar industry scenario

For the global industry, SS 2019-20 was a minuscule surplus year estimated at less than 1 million tonnes while SS 2020-21 is expected to be a deficit season with the International Sugar Organization estimating a deficit at close to 5 million tonnes. Production increase is expected from India; Thailand production numbers do not seem encouraging on account of a drought effect; persistent unfavorable weather across the European Union also expected to affect production as well.

The Government of India announced a policy of exporting 6 million tonnes of sugar. On account of lower sugar production in Thailand, Indonesia procured sugar from India.

The recent spurt in crude prices resulted in Brazil diverting sugarcane juice for ethanol manufacture although in SS 2020-21 CS Brazil is estimated to produce record 38.3 million tonnes of sugar and Brazil estimated to produce 41.8 million tonnes.

From a low of around 11 cents per pound in June, 2020, raw prices rebounded to 12.75 cents per pound in August, 2020, rising to around 14.75 cents per pound in November 2020, mainly on account of a lower availability of Brazilian sugar for export. Around February, 2021, raw sugar prices moved northwards in spite of an export subsidy program announced by India and was quoted around 16 cents per pound. Raw sugar is presently priced at around 17 cents per pound. The white sugar prices also moved in tandem and rose from US\$ 360 PMT in August, 2020 to in excess of US\$ 460 PMT.

### The Indian sugar industry review

India's sugar season 2020-21 commenced with an opening

stock of 10.7 million tonnes. As per the latest estimates of ISMA, sugar mills across the country are likely to produce 30.2 million tonnes of sugar after considering 2 million tonnes of diversion of production towards ethanol. The total availability of sugar in 2020-21 SS is likely to be about 40.9 million tonnes. Considering a consumption of 26 million tonnes and export of 6 million tonnes, India could end up with a closing stock of 8.9 million tonnes of sugar.

On the export front, performance was creditable in the last three to four months. Sugar mills signed around 54 lakh tonnes of sugar export contracts and 40 lakh tonnes of physical dispatches completed. Global sugar prices picked up and crossed 17 cents per pound for raw sugar on the news of declining production in Brazil thus helping India in better contracts being signed. With the global sugar prices now stable it is expected that India should be able to export 60 lakh tonnes by end September 2021. However, unlike last two years exports to Iran did not happen this time. During the last two years, India exported substantial quantities of sugar to Iran, mainly because Iran had substantial rupee deposits in Indian banks, against the rupee payment India was making for the oil imports from Iran. However, with US sanctions becoming stricter, and India not buying oil from Iran, the rupee balance in Indian banks of Iran reduced and therefore there were hardly any sugar exports to Iran in the current season. Notwithstanding setback in case of export to Iran, India is expected to successfully complete the targeted export of 6 million tonnes much before September 2021.

The much-awaited increase in minimum support price of sugar appears to be on the backburner. Similarly, there does not appear any urgency on the part of Government to implement the recommendations contained in the report by Dr. Rangarajan.

The Government set an ambitious target of ethanol blending and increased the procurement price of ethanol across all feedstocks. Contracts for 303 crore ltrs were signed, the increase auguring well for the industry. The season 2020-21 witnessed more sugar units producing ethanol from B Heavy molasses and some sugar units directly from sugarcane juice. The real transformation is expected from SS 2022-23 onwards when more sugar companies produce ethanol directly from sugarcane juice, resulting in a substantial sacrifice of sugar production that moderates the problem of surplus sugar production.

At the beginning of the existing sugar year, ethanol procurement by oil marketing companies was tardy. Huge quantities of ethanol were allotted to depots of OMCs, which were not equipped with adequate storage facilities. In the chaos, allotments were unilaterally terminated, and allotments of sugar mills were shifted to far-flung depots, resulting in logistic challenges. However, problems were resolved following the active intervention of Food Ministry, Oil & Petroleum Ministry and the State Government; normalcy resumed, and ethanol offtake improved.

The outbreak of the COVID-19 pandemic at the beginning of the financial year did not hamper sugar production, which continued uninterrupted following Government support although sourcing intermediate inputs did pose some temporary challenges. However, sugar demand suffered disruption of almost 1 to 1.5 million tonnes. The situation improved and normal operations resumed in the subsequent months. The second wave of pandemic could disrupt operations although in the absence of a lockdown the impact is difficult to estimate.

Thanks to the export initiative embarked up on by the central government, sugar stocks at the end of the SS are estimated at around 9 million tonnes. From a high of 14.6 million tonnes at the close of SS 2018-19, the decline represents a creditable improvement. The ethanol blending program played a role although its importance will be increasingly visible in the years to come when the increased utilization of sugarcane juice / syrup for ethanol manufacture could result in an increased sacrifice of sugar production and a moderated domestic sugar balance.

The sugar industry in India continues to be dependent on Government intervention. It entered an orbit of perpetual surplus production although in a small measure it is expected to replicate the Brazilian model by limiting its sugar production and maximizing ethanol production. The Government and industry are taking required measures in this direction and the government's support comprises the following:

- Retention of minimum ex-factory selling price of sugar at ₹3,100 per quintal. There is a clamor for an increase in the MSP to ₹3,400 per quintal so that the ability of sugar mills to clear cane price dues could be strengthened.
- Monthly release mechanism to regulate and moderate the availability of sugar in the open market.
- Announcement of Maximum Admissible Export Quota (MAEQ) of 6 million tonnes and subsidy of ₹6,000 per metric tonnes to mills exporting sugar under the allotted quota, for which a budget of ₹3,500 crore was earmarked.
- Ethanol procurement price for Ethanol Season Year 2021-22 (November to October) fixed at ₹45.69 per liter in the case of ethanol made from C-Heavy molasses, ₹57.61 per liter in the case of ethanol made from B-Heavy molasses and ₹62.65 in case of ethanol derived directly from sugarcane juice. However, a long-term pricing policy is desirable to catalyze increase in ethanol capacities.

The Government was requested to announce early an export policy for season 2021-22 to enable mills to calibrate their production plan and capitalize on remunerative international sugar prices.

#### **The Uttar Pradesh sugar industry report card**

- The Sugarcane price for the SS 2020-21 (SAP) has remained unchanged.
- During SS 2020-21 UP State is expected to clock sugar

production in excess of 10.5 million tonnes as compared to 12.6 million tonnes of sugar production in SS 2019-20. Gross recovery thus far is 11.50% and net recovery in excess of 10.75%. Recovery across UP was lesser than last year.

- The lower estimated production is attributable to devastation caused by red rot on sugar crop across UP and mainly in East UP and also lower than expected yield in case of ratoon crop. Increased sacrifice of sugar in favor of ethanol has also played a role in lowering the

sugar production estimates in the State.

- Stock levels of sugar continue to be high posing problems of storage & higher interest costs.
- Cane price arrears continue to be high and presently in excess of ₹11,700 crore. A few groups account for more than 40% of the cane price arrears. Delay in receipt of power dues continues to pose challenges although sugar mills have received their payments for power evacuated during SS 2019-20.

#### Dwarikesh – Financial Scorecard:

Particulars	2020-21		2019-20	
	(₹ lakh)	(%)	(₹ lakh)	(%)
Net revenue (from operations) operations)	1,83,885	100.00	1,33,613	100.00
EBITDA	20,835	11.33	14,147	10.59
EBTDA	16,070	8.74	10,844	8.12
EBT	11,980	6.52	7,157	5.36
EAT	9,154	4.98	7,345	5.50

- Revenue from operations during 2020-21 is up by 37.62% as compared to the revenue during 2019-20. Significant improvement in revenue growth is attributable to the increased releases under the monthly release mechanism administered by the Central Government, higher exports both under MAEQ 2019-20 & MAEQ 2020-21 and higher revenues from the distillery segment. Partial benefits of the expanded distillery capacity have accrued during the financial year.
- EBIDTA, during 2020-21 is ₹20,835 lakh as compared to EBIDTA of ₹14,147 lakh during previous FY. Higher EBIDTA as compared to previous FY is on account better performance across all segments.
- EBDTA, during the year under review your company earned EBDTA of ₹16,070 lakh as compared to ₹10,844 lakh earned in the previous FY.
- Earning before tax is at ₹11,980 lakh when viewed in conjunction with that of the previous FY (₹7,157 lakh).
- Earnings after tax at ₹9,154 lakh is as compared to the earnings after tax of previous FY of ₹7,345 lakh.
- During the year incidence of finance costs and tax expenses is higher as compared to the previous year.
- During the year your company exported significant quantity of sugar both under MAEQ 2019-20 and 2020-21. Not only raw sugar was exported, but white sugar was also exported.
- Distillery capacity expansion plan that was undertaken was successfully consummated during the year. Your company is now fully geared up to operate the distillery plant at its rated capacity of 130 KL. The benefits of the expansion have partially accrued during the FY. Full benefits will materialize and be conspicuous during the coming FY more so as your company is optimizing the mix of feedstock
- Your company is constantly evaluating avenues of revenue maximization and cost optimization. Your company's name is synonymous with efficiency as the company has clocked highest recoveries year after year by focusing on efficiency both in cane management & plant operations.
- Another area of focus for your Company has been to rein in the finance costs. During the year under review the finance costs were higher as several of the Central Government schemes such as creation of buffer stock under which the carrying cost of the buffer stock is borne by the Government ended during the year. Additionally, since sugar is sold under monthly release mechanism, your Company was compelled to carry high inventory though the company actively & aggressively participated in the export program with a view to temperate the inventory levels. The long-term debts presently carried in the Company's books are at subsidized rates. The long-term loans of the company are rated 'A' (+) with stable outlook and Commercial paper program (short term) has been accorded the highest rating of A1 + by ICRA.

#### Salient features:

- Sugar prices were range bound throughout the year. 2020-21 begun on a somber note as pandemic COVID 19 struck the world even as country-wide lockdown was announced in India to stymie its spread. However, the lockdown resulted in temporary & immediate destruction in demand of sugar. However, since sugar is classified as an essential commodity, normalcy soon returned with the combined efforts of the Government and Industry.

## CANE & SUGAR POLICY

The main policies of the government in relation to the sugar industry during the year were:

- The Fair & Remunerative Price (FRP) for the crushing season 2017-18 was ₹255 per quintal which has been increased to ₹275 per quintal for 2018-19, where the season 2017-18 was linked to recovery @ 9.50% and the season 2018-19 is linked to recovery rate @10%. For SS 2020-21 it has been increased to ₹285 per quintal linked to a recovery of 10%.
- Chronology of SMP/FRP announced by the Central Government on the basis of recovery is given herein under:

Season	SMP/F&RP H/ Quintal
2000-01(SMP)	59.50*
2001-02	62.05*
2002-03	64.50*
2002-03 (Revised)	69.50*
2003-04	73.00*
2004-05	74.50*
2005-06	79.50&
2006-07	80.25&
2007-08	81.18&
2008-09	81.18&
2009-10 (SMP since replaced by F&RP)	129.84@
2010-11	139.12@
2011-12	145.00@
2012-13	170.00@
2013-14	210.00@
2014-15	220.00@
2015-16	230.00@
2016-17	230.00@
2017-18	255.00@
2018-19	275.00#
2019-20	275.00#
2020-21	285.00#

\* Linked to recovery of 8.50% & Linked to recovery of 9%  
@ Linked to recovery of 9.50% # Linked to recovery of 10%

- The Company is required to pay State Administered Price (SAP). For the crushing season 2020-21 the State Government of Uttar Pradesh announced SAP, which remains unchanged as compared to previous season of 2019-20, i.e, ₹315 per quintal for general variety of Sugarcane, ₹10 per quintal is extra payable for early variety & ₹5 per quintal is less payable for rejected variety.

## CHANGE IN NATURE OF BUSINESS

There is no change in nature of business of the company.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Company obtained all necessary approvals from the authorities for commencement of Production of Hand Sanitizers at its unit at Dwarikesh Nagar, Bijnore, Uttar Pradesh and the said activity is covered by the main object of Memorandum of Association of the Company and production of Hand Sanitizers started w.e.f. 25<sup>th</sup> April, 2020. Production & sale / distribution of sanitizers is done more as CSR initiative for the benefit of society.

The Company on 17<sup>th</sup> October, 2020 commissioned a 40 MT per day capacity Co2 plant within the precincts of its distillery at Dwarikesh Nagar unit. The plant envisages capturing of Co2 emission from distillery operations and selling the same on commercial basis. Though a small, yet a very significant step, as it reinforces the company's commitment to provide clean & healthy environment to the society. The sale from said product would be classified under the head 'Sale of products'.

The Company obtained necessary approvals from relevant Authorities for commencement of Distillery operations at enhanced capacity of 130 Kilogram Ltrs per day (KLPD) from the earlier capacity of 100 KLPD at Dwarikesh Nagar, Village Bundki, Tehsil Nagina, District Bijnor, Uttar Pradesh w.e.f. 22<sup>nd</sup> November, 2020. This added capacity can be used for making a range of distillery products such as Rectified Spirit, Ethanol, Extra Neutral Alcohol (ENA) etc.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant & material orders have been passed impacting the going concern status & Company's operations in future.

## INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls commensurate with its size, scale and operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of such assessments carried out by the management, no reportable or significant deficiencies, no material weakness in the design or operation of any control was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are re-enforced on an ongoing basis. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

## SHARE CAPITAL

The paid-up Equity Share Capital as at 31<sup>st</sup> March, 2021 stood at ₹18.83 crore. During the year under review, the Company has not issued shares or convertible securities or shares with

differential voting rights nor has granted any stock options or sweat equity or warrants. As on 31<sup>st</sup> March, 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company. During the year, 8% 15,00,000 Cumulative Preference shares (Series II) were redeemed in August, 2020 together with accrued dividend till the date of redemption.

## EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, the Company have placed a copy of the Extract of Annual Return of the Company in form MGT-9 on its website at: <https://www.dwarikesh.com/form-mgt-9.html>.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company met four (4) times during the year on 10<sup>th</sup> June, 2020; 5<sup>th</sup> August, 2020; 2<sup>nd</sup> November, 2020 and 30<sup>th</sup> January, 2021.

## SUBSIDIARY COMPANY'S REPORT

The Company does not have any subsidiary in terms of provisions of Companies Act, 2013.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the financial year were in the ordinary course of business and at arm's length basis. There were no materially significant Related Party Transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as required to be provided under Section 134(3)(h) of the Companies Act, 2013 are disclosed in Form AOC-2 as **Annexure I**.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the rules thereunder and the Listing Regulations.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any loans or investments or given guarantees or provided securities under Section 186 of the Act during the year.

## PUBLIC DEPOSITS

The Company did not have any fixed deposits at the beginning of the year nor has it accepted any deposited during the year in terms of Section 74 of the Companies Act, 2013.

## MSME RETURN

MCA vide order dated 22<sup>nd</sup> January, 2019 directed all

companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days during the year. The Company has not filed MSME Return as all payments have been done within prescribed time.

## PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In terms of the provision of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above rules are provided in **Annexure II**.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Changes in Directors and Key Managerial Personnel

The terms of Shri B. J. Maheshwari & Shri Vijay S. Banka have expired on 30<sup>th</sup> April, 2021 and after the performance evaluation and as per recommendation of Nomination & Remuneration Committee, they are proposed to be re-appointed in this AGM. During the year, Shri Gopal B. Hosur & Shri Rajan K. Medhekar has been appointed as Additional Independent Directors in the Company and approval of their appointment is proposed in the AGM.

Shri G. R. Morarka, Executive Director, retiring by rotation & being eligible offers himself for reappointment.

Brief profile of the directors seeking appointment or re-appointment is annexed to the Notice of Annual General Meeting as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### B. Declaration by an Independent Director(s), Re-Appointment & Meeting

Pursuant to the requirements of Section 149(7) of the Companies Act, 2013, the company has received the declarations from all the independent directors confirming the fact that they all are meeting the eligibility criteria as stated in Section 149(6) of the Companies Act, 2013.

Two Additional Independent Directors are proposed to be appointed in the ensuing Annual General Meeting of the Company for a period of 5 years as per the requirements of Section 149 of the Companies Act, 2013.

The Independent Directors met once, i.e. on 30<sup>th</sup> January, 2021. The Meeting was conducted without the presence of the Chairman, Executive Directors and any other Managerial Personnel.

### C. Formal Annual Evaluation

Pursuant to the requirements of Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the listing regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its Committees.



A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### **D. Policy on Directors' Appointment and Remuneration Including Criteria for Determining qualifications, Positive Attributes, Independence of a Director, Key Managerial Personnel and Other employees**

In line with the principles of transparency and consistency, your Company has adopted the following policies which, inter alia includes criteria for determining qualifications, positive attributes and independence of a Director.

Policy on Directors appointment and remuneration is available on company's website at

<https://www.dwarikesh.com/pdf/2018/Policy-on-Directors-Appointment-and-Remuneration.pdf>

#### **E. STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

As required under the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. the directors had selected such accounting policies and applied them consistently and made judgments 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 year;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. the directors had prepared the annual accounts on a going concern basis.
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial

controls are adequate and were operating effectively,

- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement), Management Discussion and Analysis Report for the year under review is presented in a separate segment which is forming part of the Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

Dwarikesh has been an early adopter of CSR initiatives. The Company works primarily through CSR trust, viz R R Morarka Charitable Trust, towards supporting projects in eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environmental sustainability, disaster relief and rural development projects as also through Manotsav Foundation engaged in the field of healthcare.

Details of the CSR policy are available on our website at <https://www.dwarikesh.com/pdf/2021/Policy-on-Corporate-Social-Responsibility.pdf> a detailed Annual Report on CSR Activities undertaken by the Company during the year as prescribed under the Companies (Corporate Social Responsibility) Amendment Rules, 2021 is annexed herewith as **Annexure III**.

### **RISK MANAGEMENT POLICY**

Company has voluntarily formed a Risk Management Committee so as to review and combat the risk on periodical basis. A detailed note on Risk Management policy, elements of risk and its mitigation is comprised in Corporate Governance Report.

### **VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy, as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, in the Board meeting held on 9<sup>th</sup> May, 2014 so as to enable the Directors, Employees and all Stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provisions for direct access to the Chairman of Audit Committee. The details of the said policy is explained in the Corporate Governance Report and has been uploaded on the website of the Company at <https://www.dwarikesh.com/pdf/2018/Whistle-Blower-Policy.pdf>

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has put in place a policy on Anti Sexual harassment in line with the requirements of The Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaints have been received during the year under review.

## CORPORATE GOVERNANCE

As per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of corporate governance is provided under **Annexure IV**.

## BOARD COMMITTEE

The Company has following mandatory Committees, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in **Annexure V** and form a part of this report.

## AUDITORS

### A. STATUTORY AUDITORS & AUDITOR'S REPORT

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and rules made thereunder, M/s. NSBP & Co., Chartered Accountants, New Delhi (Firm Registration No. 001075N) were appointed as Statutory Auditors of the Company for period of 5 years, to hold office upto the conclusion of 28<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment at every subsequent Annual General Meeting.

The Auditors' Report for the financial year March, 2021 is unmodified, i.e, it does not contain any qualification,

reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year under review.

### B. COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board on the recommendation of the Audit Committee has re-appointed M/s. Ramanath Iyer & Co, Cost Accountants (Firm Regn No. 000019), as Cost Auditors to conduct cost audits relating to sugar, electricity and industrial alcohol for the year ended 31<sup>st</sup> March, 2021. The Cost Accountants have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013.

The Cost Audit Report for the financial year March, 2020 did not contain any qualification, reservation, adverse remark or disclaimer. The Cost Audit Report for the year end March, 2021 shall be made available by Cost Auditors on or before 30<sup>th</sup> September, 2021.

### C. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. VKM & Associates, a Practising Company Secretary (Certificate of Practice no. 4279), Secretarial Auditor to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2021. The Secretarial Audit Report is appended to this Report as **Annexure VI**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

## BUSINESS RESPONSIBILITY REPORT

As per SEBI (LODR), Fifth Amendment Regulations, 2019, Business Responsibility Report is mandatory for Top 1000 listed Companies. Our ranking based on Market Capitalization as on 31.03.2021 on BSE is 956 and at NSE is 883. Business Responsibility Report is annexed by way of **Annexure VII**.

## ACKNOWLEDGEMENT

Your directors wish to place on record their sincere gratitude and appreciation to its members, sugar cane growers, employees, bankers, financial institutions, Central & State Government Agencies for their valuable contribution in the growth of the organization.

On behalf of the Board of Director

**B. J. Maheshwari**  
Managing Director & CS cum CCO  
(DIN: 00002075)

**Vijay S Banka**  
Managing Director  
(DIN: 00963355)

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**ANNEXURE – I**  
**FORM NO. AOC-2**

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

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

(a) Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b) Nature of contracts/ arrangements/ transactions	Lease of office premises
(c) Duration of the contracts arrangements/transactions	Five years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	For company's Mumbai based corporate office, the premises of related party – Morarka Finance Limited is taken on Leave & License for five years, rent of ₹18,28,764/- paid for the year ended 31 <sup>st</sup> March, 2021 with clause of increasing the same at an interval of 1 year.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b) Nature of contracts/ arrangements/ transactions	Management consultancy services
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	To assist the company in corporate advisory services, arrangement of finance from other banks, NBFCs, financial institutes, NBFIs etc at the fees of ₹46,02,000/- paid for the year ended 31 <sup>st</sup> March, 2021.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Dwarikesh Trading Company Limited
(b) Nature of contracts/ arrangements/ transactions	Lease of premises
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	For company's Mumbai based operations, the premises of related party – Dwarikesh Trading Company Ltd is taken on Leave & License, rent of ₹80,28,720/- paid for the year ended 31 <sup>st</sup> March, 2021 with clause of increasing the same at an interval of 1 year.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Dwarikesh Trading Company Limited
(b) Nature of contracts/ arrangements/ transactions	Lease of premises
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Lease of Company's premises at Jorbagh, New Delhi to Dwarikesh Trading Company Ltd given on 99 years lease from 1 <sup>st</sup> June, 2011 at rent of ₹2,40,000/- p.a. received during the year ended 31 <sup>st</sup> March, 2021.

(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Dwarikesh Informatics Limited
(b) Nature of contracts/ arrangements/ transactions	Website updates and maintenance
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Company's website www.dwarikesh.com being maintained and updated with regular updates pertaining to company's operations and other shareholders information and regulatory updates at ₹42,48,000/- for the year ended 31 <sup>st</sup> March, 2021.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Priyanka G Morarka
(b) Nature of Contracts/ arrangements/ transactions	Appointment and remuneration as President-Corporate Affairs
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	She has been appointed as President-Corporate Affairs at the remuneration of ₹40,88,616/- (excluding Company's contribution to PF ₹2,10,444/- paid for the year ended 31 <sup>st</sup> March, 2021.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	R R Morarka Charitable Trust
(b) Nature of contracts/ arrangements/ transactions	Construction/Acquisition of Assets
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	For construction/ acquisition of assets or for any other activity company has paid ₹93,31,858/- for the year ended 31 <sup>st</sup> March, 2021.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Manotsav Foundation
(b) Nature of contracts/ arrangements/ transactions	Healthcare
(c) Duration of the contracts arrangements/ transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Healthcare or for any other activity company has paid ₹25,00,000/- for the year ended 31 <sup>st</sup> March, 2021.
(e) Date(s) of approval by the Board, if any:	-
(f) Amount paid as advances, if any:	Nil

On behalf of the Board of Director

**B. J. Maheshwari**  
*Managing Director & CS cum CCO*  
(DIN: 00002075)

**Vijay S Banka**  
*Managing Director*  
(DIN: 00963355)

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

## ANNEXURE – II

# Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:**

Name of Director	Designation	Ratio to median employees' remuneration
Shri G. R. Morarka	Executive Chairman	115:1
Shri Vijay S. Banka	Managing Director	27.45:1
Shri B. J. Maheshwari	Managing Director & CS cum CCO	27.57:1
Shri B. K. Agarwal	Independent Director	0.83:1
Shri K. N. Prithviraj	Independent Director	0.83:1
Ms. Nina Chatrath	Independent Director	0.76:1
Shri Gopal B. Hosur	Additional Independent Director	0.33:1
Shri Rajan K. Medhekar	Additional Independent Director	0.33:1

Remuneration includes all remuneration excluding exempt allowances under Income Tax Act & Company's Contribution to PF & PF administration & EDLI charges.

a) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2020-21:

Name of Director	Designation	Percentage increase/(decrease) in remuneration
Shri G. R. Morarka	Executive Chairman	34%
Shri Vijay S. Banka	Managing Director	2%
Shri B. J. Maheshwari	Managing Director & CS cum CCO	3%
Shri Alok Lohia	Chief Financial Officer (CFO)	8%

b) Percentage increase in median remuneration of employee in the financial year 2020-21:

There is increase of 11.51% in median remuneration of employee during the current accounting year of 12 months over the previous accounting period consisting of 12 months. The increase is considered to be reasonable.

c) Permanent employees

As on 31<sup>st</sup> March, 2021, the Company has on its payroll 764 permanent employees excluding seasonal employees.

d) Affirmation that the remuneration is as per the remuneration policy of the Company

Remuneration paid to Managing Director & Whole Time Director is as per approved policy of the Company.

A Statement showing the name of every employee of the company, who-

- If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore & twenty lakh rupees; **1 (Shri G. R. Morarka, Executive Chairman).**
- If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand rupees per month: **Not Applicable.**
- If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director



or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **NIL**

- B. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **There is increase of 8% to 10% in average amongst employees & increase of 2-3% in managerial remuneration of Managing Directors & increase of 34%**

**in Executive Chairman's remuneration. The increase / decrease in managerial remuneration is commensurate with the trend in peer groups as well as considering the efforts, time, skill put in by employees, Managing Directors & Executive Chairman.**

- C. Details of remuneration with break-up of components paid to Executive Chairman & Managing Directors, terms of appointment are stated in Corporate Governance Report.

On behalf of the Board of Director

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**B. J. Maheshwari**  
*Managing Director & CS cum CCO*  
(DIN: 00002075)

**Vijay S Banka**  
*Managing Director*  
(DIN: 00963355)

## ANNEXURE – III

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

The Board of Directors (Board) adopted the CSR Policy on 9<sup>th</sup> May, 2014 which is available on the Company's website. The company has been doing innumerable works for social cause in the sphere of education, health and other charitable activities even before this clause had come into force. The vision is to empower the community through socio- economic development of under-privileged and weaker sections.

Company has been carrying out its various CSR activities through its trust R.R. Morarka Charitable Trust, which is a registered trust. There has always been main interest in Children Education which has led to the establishment of R R Morarka School at Bijnor and also of R Morarka Rajkiya Mahavidhyalaya at Rajasthan, which is successfully managed and run by us.

The trusts through which the Company is carrying out its various CSR activities have been registered with the Registrar as per the provisions of CSR Amendment Rules, 2021.

### 2. The composition of the CSR Committee:

Sr. 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.	Shri B. K. Agarwal	Non-Executive Independent Director	4	4
2.	Shri G. R. Morarka	Executive Director	4	4
3.	Shri B. J. Maheshwari	Executive Director	4	4
4.	Shri Vijay S. Banka	Executive Director	4	4
5.	Shri K. N. Prithviraj	Non-Executive Independent Director	4	4
6.	Ms. Nina Chatrath	Non-Executive Independent Director	4	1
7.	*Shri Gopal B. Hosur	Additional Independent Director	4	1
8.	*Shri Rajan K. Medhekar	Additional Independent Director	4	1

\*Shri Gopal B. Hasur and Shri Rajan K. Medhekar were appointed as Additional Independent Directors by the Board of Directors of the Company w.e.f. 02.11.2020.

### 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:

The CSR policy of the Company has been disclosed on the website of the Company and is available at the following web link: <https://www.dwarikesh.com/pdf/2021/Policy-on-Corporate-Social-Responsibility.pdf>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3)

of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakh)	Amount required to be set- off for the financial year, if any (₹ in lakh)
1.	2018-19	143.93	-
2.	2019-20	183.47	-
3.	2020-21	29.34	-
	<b>TOTAL</b>	<b>356.74</b>	<b>-</b>

6. Average net profit of the company as per section 135(5): ₹1,01,60,23,639/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹2,03,20,473/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹2,03,20,473/-

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,09,20,473/-	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number
				State	District							
1.	-	-	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in lakh) (₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency.	Name	CSR registration number
				State	District				
1.	Education	Item (1)	Yes	Uttar Pradesh	Bijnor	93.32	No	R. R. Morarka Charitable Trust	CSR00000614

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lakh) (₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
2.	Health Care	Item (2)	No	Maharashtra	Mumbai	25.00	No	Manotsav Foundation	Not registered, as it has not completed 3 years from its incorporation.
3	Others	Item (8) & (12)	No	Delhi Maharashtra Uttar Pradesh	Delhi Mumbai Bijnor & Bareilly	90.88		Donation to PM Covid Cares & LTMG Hospital, Corona relief expenses and others	
	TOTAL					209.20			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹2,09,20,473/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	2,03,20,473/-
(ii)	Total amount spent for the Financial Year	2,09,20,473/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,00,000/-
(iv)	Surplus arising out of the CSR projects or program or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	6,00,000/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

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

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable

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

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

**A responsibility statement of the CSR Committee:**

The Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Director

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**B. J. Maheshwari**  
*Managing Director & CS cum CCO*  
(DIN: 00002075)

**B. K. Agarwal**  
*Chairman of the CSR Committee*  
(DIN: 00001085)



## ANNEXURE IV

# Corporate Governance Report

**Introduction:** Corporate Governance is the mechanism by which the values, principles, management policies and procedures of a corporation are made manifest in the real world. It contemplates fairness, transparency, accountability and responsibility in the functioning of the Management and the Board of Companies. Corporate Governance is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximize long-term stakeholder value.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has implemented and continuously tries to improve the Corporate Governance Practices with an attempt to meet stakeholders' expectations' and Company's societal commitments through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance of regulatory guidelines on Corporate Governance.

"Transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders

value, justice to vendors, employees and the society at large are the cardinal principles of Corporate Governance for your Company"

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "Listing Regulations") is given below:

### 2. BOARD OF DIRECTORS

#### Composition of Board of Directors and Category:

In compliance with provision of Companies Act, 2013, as amended from time to time (hereinafter referred to as "the Act") and Regulation 17 of Listing Regulations, the Board has an optimum combination of Executives and Non-Executive Directors with an Executive Chairman and more than half of the Board comprises of Non-Executive Independent Director including woman Independent Director to maintain the independence of the Board.

As on 31<sup>st</sup> March, 2021 the Board consisted of 8 Directors as follows:

Name of the Director	Category	No. of other Directorship @	No of membership of other Board committee@	No of Board Committee for which Chairman@	No. of Equity shares held
Shri G. R. Morarka	Executive Chairman (Whole Time Director)	4	1	–	2,85,66,590
Shri B. K. Agarwal	Non-Executive Independent Director	–	–	–	–
Shri K. N. Prithviraj	Non-Executive Independent Director	2	1	–	–
Ms. Nina Chatrath	Non-Executive Independent Director	1	–	–	–
Shri B. J. Maheshwari	Managing Director & CS cum CCO	3	1	1	–
Shri Vijay S Banka	Managing Director	2	2	–	–
Shri Gopal B. Hosur	Additional Independent Director	–	–	–	–
Shri Rajan K. Medhekar	Additional Independent Director	2	2	–	–

@ In accordance with Listing Regulations, directorships of only public limited companies have been considered. The directorships in section 8 companies and private companies have been excluded. Further, memberships & chairmanships of only Audit committee and Stakeholders Relationship Committee of all Public Limited Companies (excluding Dwarikesh Sugar Industries Limited) have been considered.

As required under Schedule V of Listing Regulations, following is the List of Listed Entities where the person is a Director and the category of its Directorship:

Director	Listed Entity	Category of Directorship
Shri G. R. Morarka	Morarka Finance Limited	Executive Director
Shri B. J. Maheshwari	Morarka Finance Limited	Independent Non-Executive Director
Shri Vijay S Banka	Morarka Finance Limited	Independent Non-Executive Director
Shri Rajan K. Medhekar	SIS Limited	Independent Non-Executive Director

As mandated by Regulation 26 of LODR Regulations, none of the directors are Members of more than 10 Committees nor are they Chairperson of more than 5 committees in which they are Directors.

#### Attendance of each Director at the Board Meetings and the Last Annual General Meeting:

During the year ended 31<sup>st</sup> March, 2021, 4 (Four) Board Meetings were held: on; 10<sup>th</sup> June, 2020; 5<sup>th</sup> August, 2020; 2<sup>nd</sup> November, 2020 & 30<sup>th</sup> January, 2021. The attendance of each director at these Board meetings and the last Annual General Meeting (AGM) was as follows:

Name of the Directors	No. of Board meeting attended	Attendance at Last AGM held on 11 <sup>th</sup> August, 2020
Shri G.R. Morarka	4	Yes
Shri B. K. Agarwal	4	Yes
Shri B. J. Maheshwari	4	Yes
Shri Vijay S. Banka	4	Yes
Shri K. N. Prithviraj	4	No
Ms. Nina Chatrath	4	Yes
Shri Gopal B. Hosur	1	No
Shri Rajan K. Medhekar	1	No

#### Inter-se relationship:

There are no inter-se relationship between the Board members.

Director	Category of Directorship	List of core skill expertise and competence
Shri G.R. Morarka	Executive Chairman	Strategic Management, Cost Accounting
Shri B. J. Maheshwari	Managing Director & CS cum CCO	Accounts, Secretarial, Corporate Law, Taxations
Shri Vijay S. Banka	Managing Director	Strategic Management, Finance, Accounting
Shri B. K. Agarwal	Non-Executive Independent Director	Law, Commerce & Strategy
Shri K. N. Prithviraj	Non-Executive Independent Director	Banking, Finance & Economics

#### Number of shares held by Non- Executive Directors:

The non-executive directors of the company do not hold any shares in the Company.

#### Familiarization Program:

In terms of Regulation 25 of the Listing Regulations, the Company is required to conduct various program for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such program for familiarization of the Independent Directors are put on the website of the Company at the following web-link: <https://www.dwarikesh.com/pdf/2021/Familiarisation-Programme-for-Independent-Directors.pdf>

#### Skills/Expertise/Competence of Board of Directors:

In order to ensure effective functioning of the Company, the Board requires specialized knowledge, experience and expertise in the areas such as:



Nomination and Remuneration Committee while considering of appointment of any person as Director ensure that he possess the skills as required for the efficient functioning of the Company and all other qualifications as prescribed under Listing Regulations and the Act and also such other skills, positive attributes etc. which may be fruitful in enhancing the growth of Company, which is then recommended to Board for their approval.

Director	Category of Directorship	List of core skill expertise and competence
Ms. Nina Chatrath	Non-Executive Independent Director	Business Management and Leadership Consultancy
Shri Gopal B. Hosur	Additional Independent Director	Security, Intelligence & Administration
Shri Rajan K. Medhekar	Additional Independent Director	Security, Intelligence & Administration

#### Independent Directors:

A statement, in connection with fulfilling the criteria of Independence and directorships as per the requirement of the provisions of the Act and Regulation 25 of Listing Regulations received from each of Independent Directors, is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on the website of the Company at

<https://www.dwarikesh.com/pdf/2020/Terms-of-Appointments-of-Independent-Directors.pdf>

During the year under review, no Independent Director had resigned from the Company.

### 3. COMMITTEES OF BOARD

#### A. AUDIT COMMITTEE

Pursuant to Regulation 18 of Listing Regulations read with provisions of Section 177 of the Act, the Committee was constituted on 13<sup>th</sup> January, 2001 with six members having four Independent Non-Executive Directors, two Additional Independent Directors and one Executive Director, names of which are specified below. All members are eminent in their field and also financially literate. Shri B. K. Agarwal is Chairperson of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting to answer queries of Shareholders.

Shri B. J. Maheshwari being a Company Secretary of the Company acts as the Secretary to the Committee.

#### Terms of Reference:

The terms of reference of the Audit Committee includes matters which are set out in Regulation 18 read with Part C of Schedule II of the Listing Regulations read with Section 177 of the Companies Act, 2013 which inter alia consist of the following:

- oversight the company's financial reporting procedure and the disclosure of its financial information.
- to examine the Financial Statement and the Auditor's Report on it.
- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- to review and monitor the Auditor's independence and performance, effectiveness of the audit process.
- approval or any subsequent modification of the transactions of the company with related parties.
- to scrutinize inter corporate loans and investments.
- valuation of undertakings or assets of the company, wherever it is necessary.
- to evaluate the Internal Financial Controls and Risk Management System.
- to monitor the end use of funds raised through public offers and related matters.
- to review the whistle blowing mechanism.

The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management and invites senior executives to its Meetings as necessary.

#### Constitution of Audit Committee as on 31<sup>st</sup> March, 2021:

1.	Shri B. K. Agarwal	(Chairperson)	Non-Executive Independent Director
2.	Shri Vijay S. Banka	(Member)	Managing Director
3.	Shri K. N. Prithviraj	(Member)	Non-Executive Independent Director
4.	Ms. Nina Chatrath	(Member)	Non-Executive Independent Director
5.	Shri Gopal B. Hosur	(Member)	Additional Independent Director
6.	Shri Rajan K. Medhekar	(Member)	Additional Independent Director

#### Meeting and Attendance

During the year ended 31<sup>st</sup> March, 2021, Four (4) Audit Committee Meetings were held **10<sup>th</sup> June, 2020; 5<sup>th</sup> August, 2020; 2<sup>nd</sup> November, 2020 & 30<sup>th</sup> January, 2021;**

Name of the Directors	No of meeting attended
Shri Vijay S. Banka	4
Shri K. N. Prithviraj	4
Shri B. K. Agarwal	4
Ms. Nina Chatrath	4
Shri Gopal B. Hosur	1
Shri Rajan K. Medhekar	1

#### B. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Nomination & Remuneration Committee was formed on 22<sup>nd</sup> October, 2001 comprising

of five members as three Independent Directors, including its Chairman, namely Shri K. N. Prithviraj (Chairman of the Committee) & two members as Additional Independent Directors.

Shri B. J. Maheshwari, the Company Secretary of the Company acts as the Secretary to the Committee.

#### Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations, which are as follows:

- to formulate criteria for determining qualifications, positive attributes and independence of a director.
- to recommend the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
- to formulate the criteria for evaluation of Independent Directors and the Board.
- to devise a policy on Board diversity.
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, etc.

The non-executive directors do not draw any remuneration from the company except payment by way of sitting fees for attending the board / committee meetings.

#### Composition of Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2021:

1.	Shri K. N. Prithviraj	(Chairperson)	Non-Executive Independent Director
2.	Shri B. K. Agarwal	(Member)	Non-Executive Independent Director
3.	Ms. Nina Chathrath	(Member)	Non-Executive Independent Director
4.	Shri Gopal B. Hosur	(Member)	Additional Independent Director
5.	Shri Rajan K. Medhekar	(Member)	Additional Independent Director

#### Meeting and Attendance:

During the year ended 31<sup>st</sup> March, 2021, Three (3) Nomination and Remuneration committee meetings were held on **10<sup>th</sup> June, 2020; 2<sup>nd</sup> November, 2020 & 30<sup>th</sup> January, 2021.**

Name of the Directors	No of meeting attended
Shri B. K. Agarwal	3
Shri K. N. Prithviraj	3
Ms. Nina Chathrath	3
Shri Gopal B. Hosur	1
Shri Rajan K. Medhekar	1

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in Directors Report.

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Act and Regulation 20 of the Listing Regulations, Stakeholders' Relationship Committee was constituted on 17<sup>th</sup> March, 2001 to oversee the matters relating to redressal of Stakeholder complaints pertaining to issue of duplicate shares, transfer of shares, non-receipt of Annual Report, non- receipt of declared dividends etc.

It consists of seven members, out of which three are Independent Directors including the Chairman of the Committee, namely Shri B. K. Agarwal, two are Additional Independent Directors, and two Executive Directors of the Company.

Shri B. J. Maheshwari, Company Secretary is designated as Chief Compliance officer of the Company.

#### Composition of Stakeholders' Relationship Committee as on 31<sup>st</sup> March, 2021:

1.	Shri B. K. Agarwal	(Chairperson)	Non-Executive Independent Director
2.	Shri Vijay S. Banka	(Member)	Managing Director
3.	Shri B. J. Maheshwari	(Member)	Managing Director
4.	Ms. Nina Chathrath	(Member)	Non-Executive Independent Director
5.	Shri K. N. Prithviraj	(Member)	Non-Executive Independent Director
6.	Shri Gopal B. Hosur	(Member)	Additional Independent Director
7.	Shri Rajan K. Medhekar	(Member)	Additional Independent Director

The role of the Stakeholders Relationship Committee shall, inter-alia, include the following:

1. To consider and resolve investors grievances or shareholders grievances.
2. To appoint Registrars and Share Transfer Agent.
3. To transfer, transmit, consolidate, issue duplicate share certificates, split share certificates, etc.
4. To consider and resolve complaints of Shareholders regarding non-receipt of Annual Report and non- receipt of Declared dividend etc.

5. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Act and the rules made thereunder, Listing Regulations and the guidelines issued by SEBI or any other regulatory authority.
6. To approve share transfers and/or delegation thereof.

The Stakeholders Relationship Committee are also required to submit their reports / suggestions to the Board of Directors of the Company from time to time.

#### Meeting and Attendance

During the year ended 31<sup>st</sup> March, 2021, Four (4) Stakeholder and Relationship committee meetings were held on **10<sup>th</sup> June, 2020; 5<sup>th</sup> August, 2020; 2<sup>nd</sup> November, 2020 & 30<sup>th</sup> January, 2021.**

Name of the Directors	No of meeting attended
Shri B. K. Agarwal	4
Shri Vijay S. Banka	4
Shri B. J. Maheshwari	4
Ms. Nina Chatrath	4
Shri K. N. Prithviraj	4
Shri Gopal B. Hosur	1
Shri Rajan K. Medhekar	1

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee attended the Annual General Meeting of the Company held on 11<sup>th</sup> August, 2020.

#### Complaints & Share Transfer:

During the year ended 31<sup>st</sup> March, 2021, no complaints were received. No complaints were pending at the beginning or at the end of the year. The Company has acted upon all valid requests for share transfer received during the year and no such transfer is pending.

#### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee was constituted, under the provision of Section 135 of the Act and Listing Regulations, on 13<sup>th</sup> August, 2014 so as to assist the Board in discharge its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy as specified in Schedule VII of the Act and recommending the amount of expenditure to be incurred.

It consists of eight members, out of which three are Independent Directors including the Chairman of the Committee, namely Shri B. K. Agarwal, two are Additional Independent Directors, and three are Executive Directors of the Company.

#### Composition:

1.	Shri B. K. Agarwal	(Chairperson)	Non-Executive Independent Director
2.	Shri Vijay S. Banka	(Member)	Managing Director
3.	Shri B. J. Maheshwari	(Member)	Managing Director
4.	Shri G. R. Morarka	(Member)	Executive Chairman
5.	Shri K. N. Prithviraj	(Member)	Non-Executive Independent Director
6.	Ms. Nina Chatrath	(Member)	Non-Executive Independent Director
7.	Shri Gopal B. Hosur	(Member)	Additional Independent Director
8.	Shri Rajan K. Medhekar	(Member)	Additional Independent Director

During the year ended 31<sup>st</sup> March, 2021, Four (4) Corporate Social Responsibility committee meetings were held on **10<sup>th</sup> 2020; 5<sup>th</sup> August, 2020; 2<sup>nd</sup> November, 2020 & 30<sup>th</sup> January, 2021.**

Name of the Directors	No of meeting attended
Shri B. K. Agarwal	4
Shri Vijay S. Banka	4
Shri B. J. Maheshwari	4
Shri G. R. Morarka	4
Shri K. N. Prithviraj	4
Ms. Nina Chatrath	1
Shri Gopal B. Hosur	1
Shri Rajan K. Medhekar	1

The details of CSR initiatives undertaken by the Company are provided in the CSR Annual Report annexed to the Directors Report.

#### 4. REMUNERATION OF DIRECTORS

The details of remuneration paid or provided to the Directors of the Company for the year ended 31<sup>st</sup> March, 2021 are provided below:

##### A. EXECUTIVE DIRECTORS:

Shri G. R. Morarka was appointed as Whole Time Director designated as Executive Chairman of the Company, w.e.f. 1<sup>st</sup> January, 2019 in the Board Meeting held on 17<sup>th</sup> December, 2018. Thereafter the appointment was approved by members of the Company in the Annual General meeting held on 5<sup>th</sup> September, 2019.

Shri Vijay S. Banka is Managing Director of the Company and Shri B. J. Maheshwari is Managing Director & CS cum CCO of the Company.



## 1. Remuneration to Managing Directors

Particulars	(₹ in lakh)
Salary	222.32
Ex Gratia & Interim Bonus	10
Leave Encashment	-
Commission	-
<b>Total</b>	<b>232.32</b>
Company's Contribution to P.F. (exempted allowance)	6.51

## 2. Remuneration to Executive Chairman

Particulars	(₹ in lakh)
Salary	240.02
Other Allowances	-
Gratuity	-
Leave Salary	-
Commission	372.66

Particulars	(₹ in lakh)
Interim Bonus	-
<b>Total</b>	<b>612.68</b>
Company's Contribution to P.F. (exempted allowance)	28.80

1. In the Board Meeting held on 30<sup>th</sup> January, 2021, Shri B.J. Maheshwari & Shri Vijay S. Banka had been re- appointed as Managing Director & CS cum CCO and Managing Director respectively subject to approval of shareholders of the Company for a period of 3 years, i.e, till 30<sup>th</sup> April, 2024.
2. Shri G. R. Morarka is appointed for a period of 3 years from the date of his appointment.
3. The remuneration of the Executive Directors of the Company is fixed by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of the Company and also approved by Shareholders of the Company.

## B. NON-EXECUTIVE DIRECTORS:

(₹ in lakh)

Name of the Director	Sitting fees	Commission Payable	Total Payments paid / Payable in 2020-21
Shri B. K. Agarwal	3.50	---	3.50
Shri K. N. Prithviraj	3.50	---	3.50
Ms. Nina Chatrath	3.20	---	3.20
Shri Gopal B. Hosur	1.40	---	1.40
Shri Rajan K. Medhekar	1.40	---	1.40

1. Shri B. K. Agarwal, Shri K. N. Prithviraj & Ms. Nina Chatrath, Independent Non-Executive Directors of the Company, have a term of appointment of five years.
2. Shri Gopal B. Hosur & Shri Rajan K. Medhekar have been appointed as Additional Independent Directors of the Company in the Board meeting held on 2<sup>nd</sup> November, 2020 subject to approval of shareholders of the Company.
3. They were paid sitting fees of ₹50,000/- for attending every meeting of Board of Directors of the Company and ₹10,000/- for attending every Committee Meeting of the Company.
4. None of the Non-Executive Directors of the Company had any pecuniary relationship or transactions vis- à-vis the Company.

### Notes:

1. There is no notice period for Directors of the Company.
2. No stock options have been granted to any directors of the Company.
3. Severance fees is nil.
4. For Executive Directors of the Company, Performance Pay is the only component of remuneration that is performance-linked. All other components are fixed.

## 5. GENERAL BODY MEETINGS

Location and time, where last Annual / Extra Ordinary General Meetings were held during last 3 years is given below:

Financial Year	Date	Location of the Meeting	Time	AGM/ EGM
2017-18	31 <sup>st</sup> August, 2018	Dwarikesh Nagar – 246 762 District: Bijnor, Uttar Pradesh	12.30 p.m.	AGM
2018-19	5 <sup>th</sup> September, 2019	Dwarikesh Nagar – 246 762 District: Bijnor, Uttar Pradesh	12.30 p.m.	AGM
2019-20	11 <sup>th</sup> August, 2020	Conducted through VC	11.00 a.m.	AGM

Special resolutions passed in General Meetings during last 3 years:

Date	Particulars	
31 <sup>st</sup> August, 2018	a.	Re-designation of Shri Vijay S. Banka (DIN: 00963355) from Whole Time Director & CFO to Managing Director & CFO.
	b.	Re-designation of Shri B. J. Maheshwari (DIN: 00002075) from Whole Time Director & CS cum CCO to Managing Director & CS cum CCO.
	c.	Approval for continuation of holding of office of Shri B. K. Agarwal (Non- Executive Independent Director).
5 <sup>th</sup> September, 2019	a.	Alteration of Articles of Association of the Company.
	b.	Appointment of Shri G. R. Morarka (DIN: 00002078) as Whole Time Director Designated as Executive Chairman of the Company
11 <sup>th</sup> August, 2020	a.	To re-appoint Shri K. N. Prithviraj as an Independent Director of the Company.
	b.	To re-appoint Ms. Nina Chatrath as an Independent Director of the company appointed in casual vacancy of Ms. Malathi Mohan.
	c.	To re-appoint Shri B. K. Agarwal as an Independent Director of the Company.
	d.	Alteration of remuneration of Ms. Priyanka G. Morarka holding office or place of profit, as President (Corporate Affairs).

### Details of Special Resolution Passed through Postal Ballot

No Special Resolution was passed through postal ballot for year ended 31<sup>st</sup> March, 2021 and no special resolution is proposed to be conducted through Postal Ballot.

## 6. MEANS OF COMMUNICATION

**Quarterly Results:** The Company's quarterly results as prescribed by the Stock Exchanges pursuant to Regulation 33, 47 of the Listing Regulations are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers i.e, Business Standard for English and Shah times for Hindi.

**Website:** As per the requirements of Regulation 47 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern, presentation made to institutional investors or to the analysts etc. is filed with stock exchanges and also displayed on the Company's website: ([www.dwarikesh.com](http://www.dwarikesh.com)) within the time prescribed in this regard. The Company's website also displays the official news releases.

**Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

## 7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	27 <sup>th</sup> Annual General Meeting
Date, Time and Venue	Tuesday, 20 <sup>th</sup> July, 2021 at 11.00 a.m. through Video Conferencing (VC) or other audio-visual means (OAVM)
Financial Calendar Particulars (April - March) (tentative and subject to change)	The financial year of the Company is from 1 <sup>st</sup> April, to 31 <sup>st</sup> March every year
First Quarter Results	On or before 14 <sup>th</sup> August, 2021

Second Quarter Results	On or before 14 <sup>th</sup> November, 2021
Third Quarter Results	On or before 14 <sup>th</sup> February, 2022
Last Quarter Results	On or before 30 <sup>th</sup> May, 2022
Dates of Book Closure	Wednesday, 14 <sup>th</sup> July, 2021 to Tuesday, 20 <sup>th</sup> July, 2021 (both days inclusive).
Dividend Payment Date	Dividend if any, Will be paid within 30 days of AGM
Listing Details	As mentioned below

The details of the Stock Exchanges on which the Company's shares are listed are as under:

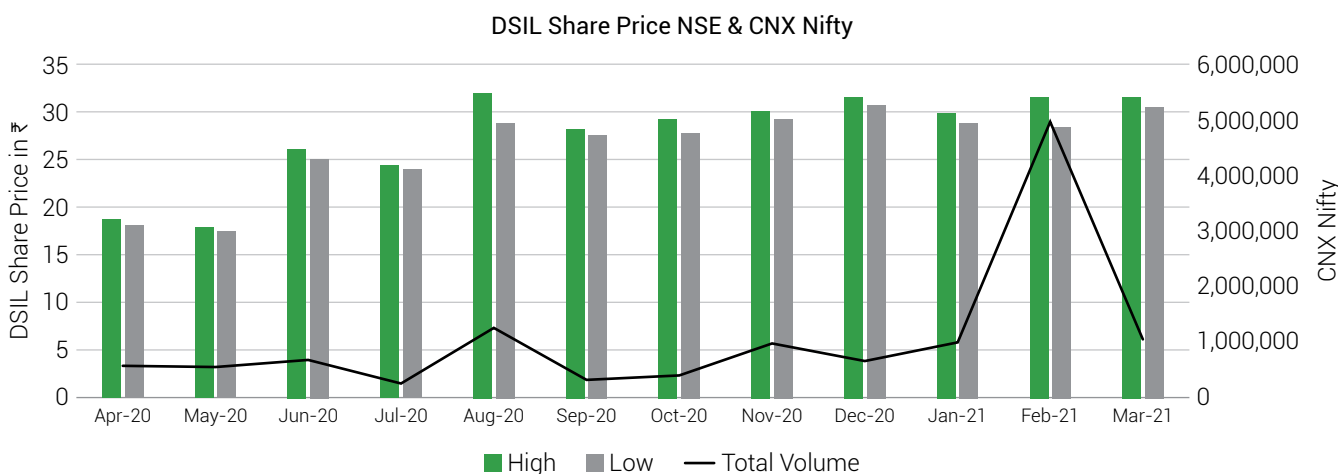
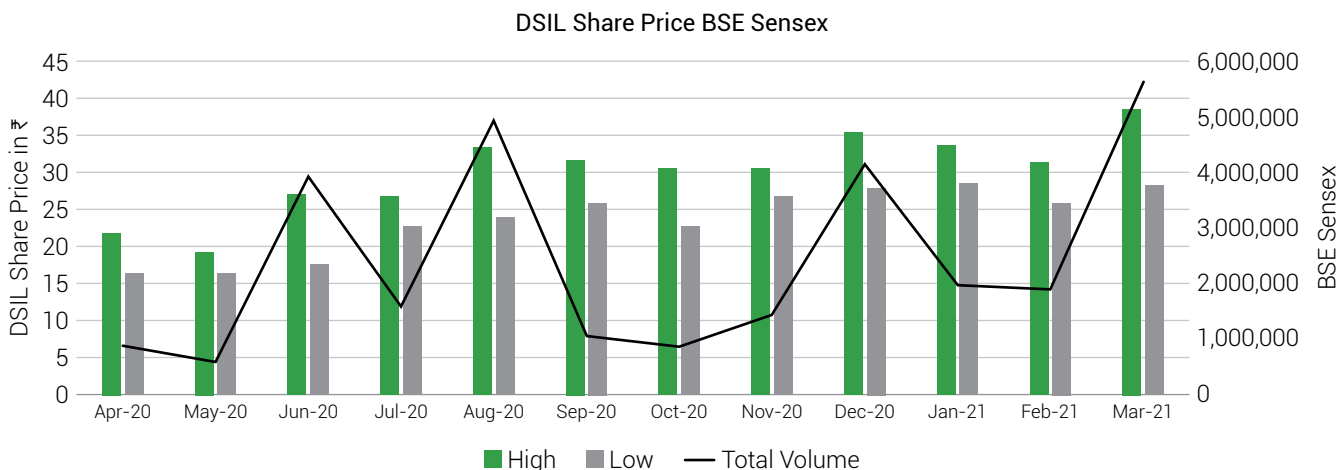
Name	Address	Stock Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532610
The National Stock Exchange of India Limited (NSE)	"EXCHANGE PLAZA", Bandra-Kurla Complex Bandra (E), Mumbai – 400 051	"DWARAKESH"
International Securities Identification Number (ISIN)		INE366A01041

**Payment of Listing Fees:** Annual listing fee for the year 2021-22 (as applicable) has been paid by the Company to BSE & NSE.

**MARKET PRICE DATA:** Monthly high/low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

Month	NSE			BSE		
	High	Low	Total Volume	High	Low	Total Volume
	₹	₹	Quantity No.	₹	₹	Quantity No.
Apr-20	18.75	18.10	6,26,607	22.05	16.70	9,35,781
May-20	18.05	17.50	5,75,154	19.35	16.50	6,38,880
Jun-20	26.20	25.15	7,31,927	27.25	17.85	40,05,013
Jul-20	24.50	24.05	3,12,169	26.80	23.00	15,79,600
Aug-20	32.05	28.95	13,13,774	33.40	24.10	49,73,649
Sep-20	28.30	27.60	3,62,927	31.90	25.90	10,75,542
Oct-20	29.25	27.80	4,28,541	30.55	23.00	9,06,740
Nov-20	30.10	29.3	10,30,546	30.50	27.00	14,31,677
Dec-20	31.65	30.85	7,01,857	35.35	27.95	41,84,737
Jan-21	30.00	28.80	10,17,199	33.85	28.60	19,87,382
Feb-21	31.70	28.55	50,28,766	31.60	26.10	19,10,242
Mar-21	31.55	30.60	10,75,385	38.70	28.35	56,12,252

## STOCK PERFORMANCE:



### REGISTRAR & SHARE TRANSFER AGENTS (RTA):

The Company has appointed **M/s. Universal Capital Securities Pvt. Ltd.** as Registrar and Share Transfer Agent, who have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

#### Universal Capital Securities Pvt. Ltd.

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400083.

Tel: 28207203 / 7204 / 7205

Fax: 28207207

E-mail: [info@unisec.in](mailto:info@unisec.in)

### SHARE TRANSFER SYSTEM:

Trading in equity shares of the Company is permitted only in dematerialised form.

All valid share transfer requests / demat requests are processed and put into effect within a maximum period of 15

days from the date of receipt.

M/s. Universal Capital Securities Pvt. Ltd. is acting as RTA of the Company for servicing all matters relating to physical and demat shares such as transfer, transmission, dematerialisation, rematerialisation, dividend etc. Accordingly, members may please address all correspondence and requests relating to the Shares of the Company to M/s. Universal Capital Securities Pvt. Ltd. at the above-mentioned address.

Securities and Exchange Board of India (SEBI) vide its notification dated 08<sup>th</sup> June, 2018 has notified all listed Companies and Registrar & Transfer Agents that transfer of securities shall be carried out only in dematerialised form.

Accordingly, attention of all shareholders holding shares in physical form if brought to the following:

- Company & RTA shall not effect transfer of securities held in physical form from 1<sup>st</sup> April, 2019.

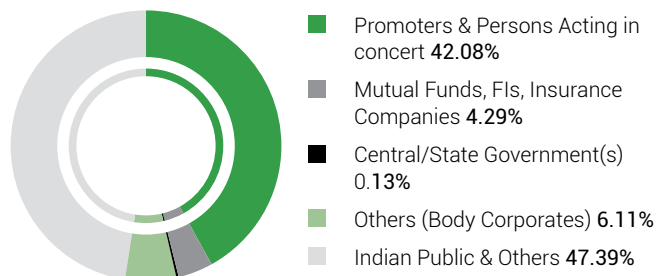
- This restriction shall not be applicable for transmission or transposition of securities held in physical form.

### Change of Address

The shareholders holding shares in Physical form should contact the share transfer agent of the company for change of address. The shareholders holding shares in Dematerialised form should contact their depository participants for change of address.

### Shareholding pattern of the Company as on 31<sup>st</sup> March, 2021.

Particulars	Percentage
Promoters & Persons Acting in concert	42.08
Mutual Funds, FIs, Insurance Companies	4.29
Central/State Government(s)	0.13
Others (Body Corporates)	6.11
Indian Public & Others	47.39
<b>Total</b>	<b>100</b>



### Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

Sr. No.	No. of Equity Shares Held in the range of	No. of Shareholders	Percentage	No. of Shares	Total Percentage
1	1 – 500	31,096	67.4563	54,54,920	2.8969
2	501 – 1,000	6,500	14.1004	56,35,009	2.9925
3	1,001 – 2,000	3,415	7.4081	54,65,050	2.9023
4	2,001 – 3,000	1,471	3.1910	39,02,135	2.0723
5	3,001 – 4,000	681	1.4773	24,95,150	1.3251
6	4,001 – 5,000	757	1.6422	36,46,902	1.9367
7	5,001-10,000	1,091	2.3667	83,95,997	4.4588
8	10,001 & above	1,087	2.3580	15,33,06,307	81.4154
	<b>Total</b>	<b>46,098</b>	<b>100.00</b>	<b>18,83,01,470</b>	<b>100.00</b>

**Note:** Please note that No. of Shareholders provided in Distribution of Shareholding is without Clubbing PAN no. of Shareholders and in Shareholding Pattern filed with stock exchanges is with clubbing of PAN no. of Shareholders.

### Dematerialisation of Shares

The Company has signed an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors. As on 31<sup>st</sup> March, 2021, 99.86% of the total shares of the Company have been dematerialised.

### Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable.

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company does not have any exposure hedged through commodity derivatives.

During the year under review, the Company had managed the foreign exchange risk and hedged to the extent considered

necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 53 to the Annual Financial Statements.

### Location of Plants:

#### Sugar Mills:

Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.

Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.

Dwarikesh Dham – 243 503, Village: Bhagwanpur Fulwa, Bakarganj, Dist: Bareilly, U.P

#### Distillery:

Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.



**Co generation:**

Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.

Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.

Dwarikesh Dham – 243 503, Village: Bhagwanpur Fulwa, Bakarganj, Dist: Bareilly, Uttar Pradesh.

**Address for Correspondence****Compliance Officer & Nodal Officer**

The Board has designated Shri B. J. Maheshwari, Managing Director and CS as the Chief Compliance Officer (CCO) & Nodal Officer of the Company.

**Corporate Secretarial Department**

The Corporate Secretarial Department is located at the Company's Corporate Office situated at 511, Maker Chambers - V, 221, Nariman Point, Mumbai - 400 021. Tel: 022 22832468; Fax: 022 22047288; email: investors@dwarikesh.com

The Shareholders may address their communications/ grievances/ queries to Shri B. J. Maheshwari, Managing Director and CS cum CCO at the above mentioned address.

**List of all Credit Ratings:**

During the year under review, the Company had been assigned Credit Ratings from ICRA Limited for its Long Term Outstanding Borrowings & Commercial Paper as follows:

Long Term Outstanding Borrowing - **[ICRA]A+(Stable) with outlook being stable**

Commercial Paper - **[ICRA]A1+ indicating very strong degree of safety**

## 8. OTHER DISCLOSURES

**A. TRANSACTIONS DURING THE PERIOD:**

- All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis. The Company does not have any material related party transactions except the ones disclosed in Note no. 51 in Notes to Accounts, which may have potential conflict with the interest of the Company at large. The policy on dealing with related party transaction can be viewed at <https://www.dwarikesh.com/pdf/2018/Related-Party-Transactions-Policy-1.pdf>
- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.

**B. VIGIL MECHANISM**

The company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's

Code of Conduct or Ethics Policy. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism. The Company has adopted policy on Vigil Mechanism in the Board meeting held on 9<sup>th</sup> May, 2014. No complaints were received under this policy during the year. The policy is available on the Company's website at <https://www.dwarikesh.com/pdf/2018/Whistle-Blower-Policy.pdf>

**C. DISCLOSURE OF ACCOUNTING TREATMENT:**

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

**D. SUBSIDIARY COMPANIES:**

The Company presently do not have any subsidiary in terms of provisions of Companies Act, 2013 and therefore corresponding disclosures have not been made.

**E. CODES AND POLICIES WEBLINK:**

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given on the website of the company on weblink: <https://www.dwarikesh.com/policies.html>

**F. INSIDER TRADING**

The Company has adopted new Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with effect from 1<sup>st</sup> April, 2019, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Company Secretary is responsible for the implementation of the code. All Board of Directors, designated employees and connected persons have been informed about the new policy and has affirmed compliance with the code. [https://www.dwarikesh.com/pdf/prohibition\\_of\\_insider\\_trading.pdf](https://www.dwarikesh.com/pdf/prohibition_of_insider_trading.pdf)

**G. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT**

During the year under review, the Company has not raised funds through preferential allotment. Hence, Not Applicable.

**H. CERTIFICATE FROM PRACTISING COMPANY SECRETARY FOR NON-DISQUALIFICATION OF DIRECTORS:**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**I. WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR:**

Not Applicable

**J. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:**

Details relating to fees paid to the Statutory Auditors are given in Note 46 (a) to the Audited Financial Statements of the Company.

**K. DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act,

2013 (POSH), your Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under POSH. The Internal Committee (IC) is composed of internal members and an external member who has extensive experience in the field. All employees (permanent, contract, temporary, trainees) are covered under this policy. The policy is gender neutral. Status of complaints during the year under review is as follows:

No. of complaints filed during the financial year: **NIL**

No. of complaints disposed of during the financial year: **NIL**

No. of complaints pending as on end of the financial year: **NIL**

**L. Corporate Benefits:**

Financial Year	Equity Dividend Rate	Dividend Declaration Date
1996-1997	10%	16/03/1998
1997-1998	15%	30/03/1999
1998-1999	15%	28/03/2000
1999-2000	15%	19/06/2001
2000-2001	15%	27/03/2002
2001-2002	5%	31/05/2003
2002-2003	5%	29/03/2004
2003-2004	20%	01/11/2004
2004-2005 (Interim Dividend)	60%	16/01/2006
2005-2006	60%	23/03/2007
2006-2007	NIL	---
2007-2008	NIL	---
2008-2009	15%	16/03/2010
2009-2010	NIL	---
2010-2011	NIL	---
2011-2012	NIL	---
2012-2013	NIL	---
2013-2015	NIL	---
2015-2016	NIL	---
2016-2017	100%	19/08/2017
2017-2018	NIL	---
2018-2019	100%	05/09/2019
2019-2020 (Interim Dividend)	100%	10/02/2020
2020-2021	The Board of directors of the Company has recommended dividend of 125% (₹1.25/- per equity share) at its meeting held on 12 <sup>th</sup> May, 2021. The dividend, subject to approval from Shareholders, would be payable to those shareholders, whose names appear in the Register of Members as on 13 <sup>th</sup> July, 2021.	

## STATUS OF UNPAID DIVIDEND & SUSPENSE ACCOUNT:

Dividend for the year	Amount of Dividend (₹)	Amount of unpaid dividend as on 31.03.2021 (₹)	Due Date of transfer to IEPF
2016-17	18,83,01,470.00	770,630.00	22/09/2024
2018-19	18,83,01,470.00	711,761.00	11/10/2026
2019-20	18,83,01,470.00	7,96,837.00	10/03/2027

The Company sends reminders to the shareholders for the unpaid dividend. In terms of Section 125 of the Act, read with rules made thereunder, the Company is required to transfer the unpaid dividend amounts which remained unclaimed for 7 years from the date of transfer of such amounts to Unpaid Dividend A/C to Investor Education and Protection Fund.

Pursuant to Section 124, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority.

### EQUITY SHARES IN SUSPENSE ACCOUNT

No shares of the Company are lying in Equity Suspense Account.

### M. COMPLIANCE

#### Mandatory Requirements:

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

The Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March, 2021 are in compliance with the applicable requirements of SEBI as per Listing Regulations.

#### Non-Mandatory Requirements:

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI (LODR), Regulations is provided below:

**Chairman's Office:** Shri G. R. Morarka had been appointed as Whole Time Director designated as Executive Chairman with effect from 01.01.2019.

**Separate posts of Chairman and CEO:** Shri G. R. Morarka is holding the position of Whole Time Director designated as Executive Chairman. Shri B. J. Maheshwari and Shri Vijay S. Banka are the Managing Directors of the Company. So there exists separate posts for Chairman & CEO of the Company.

**Shareholders rights:** The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

**Modified Opinion in Auditors Report:** The Company's financial statement for the year ended 31<sup>st</sup> March, 2021 are unqualified.

**Reporting of Internal Auditor:** In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

On behalf of the Board of Director

**B. J. Maheshwari**

*Managing Director & CS cum CCO*  
(DIN: 00002075)

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

# CODE OF BUSINESS CONDUCT AND ETHICS

The Board at its meeting held on 24<sup>th</sup> January, 2005 adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). This code is a comprehensive code applicable to all Directors, Executive & Non-Executive and members of senior management. However, in the light of changing scenario of corporate functioning, the same has been modified & adopted by the Board at its meeting held on 14<sup>th</sup> May, 2013.

A copy of the Code has been put on the Company's website: [www.dwarikesh.com](http://www.dwarikesh.com)

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Shri B.J. Maheshwari, Managing Director & CS cum CCO is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Accounting period 2020-21.

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**On behalf of the Board of Director**

**B. J. Maheshwari**  
*Managing Director & CS cum CCO*  
(DIN: 00002075)

# CERTIFICATE

{This Certificate is being issued in pursuance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.}

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of **DWARIKESH SUGAR INDUSTRIES LIMITED** (hereinafter will be known as "the Company"), having its Registered Office at Dwarikesh Nagar, Bijnore, Uttar Pradesh-246762, India, incorporated vide its Company Registration Number L15421UP1993PLC018642 on 01<sup>st</sup> November, 1993 under the jurisdiction of Registrar of Companies, Kanpur.

On the basis of examination and verification, we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority.

The Board of Directors of the Company comprises of 8 (Eight) Directors and the Board is composed as follows:

Sr. No.	Name of the Director	DIN	Type of the Director	Date of Appointment	Status of the Director
1	Shri Balkumar Agarwal	00001085	Independent Director	19/09/2015	Active
2	Shri B. J. Maheshwari	00002075	Managing Director (Executive Director)	07/05/2018	Active
3	Shri G. R. Morarka	00002078	Executive Director	01/01/2019	Active
4	Shri Prithviraj Kokarrane	00115317	Independent Director	19/09/2015	Active
5	Shri Vijay S. Banka	00963355	Managing Director (Executive Director)	07/05/2018	Active
6	Ms. Nina Chatrath	07700943	Independent Director	04/02/2017	Active
7	Shri Gopal B. Hosur	08884883	Additional Independent Director	02/11/2020	Active
8	Shri Rajan K. Medhekar	07940253	Additional Independent Director	02/11/2020	Active

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x) (c)(iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

For **VKM & ASSOCIATES**  
Company Secretaries

**(Vijay Kumar Mishra)**  
Partner

M. No. F-5023 COP No.4279  
UDIN: F005023C000242909

Place: Mumbai  
Date: 5<sup>th</sup> May, 2021



## CEO AND CFO CERTIFICATION

To,  
The Board of Directors,  
Dwarikesh Sugar Industries Limited.

We hereby certify that:

- a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal and violating the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee
  - i. Significant changes in internal control over financial reporting during the year.
  - ii. Significant changes in accounting policies, if any during the year and that the same have been disclosed in the notes to the financial statements, and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**Vijay S. Banka**  
*Managing Director*  
DIN: 00963355

**Alok Lohia**  
*Chief Financial Officer*

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Dwarikesh Sugar Industries Limited.**  
Dwarikesh Nagar, Bijnor  
Uttar Pradesh- 246 762.

1. This certificate is issued in accordance with the terms of our engagement letter with **Dwarikesh Sugar Industries Limited** (the "Company").
2. We, NSBP & Co., Chartered Accountants, the Statutory Auditors of the Company, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

## Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance

Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31<sup>st</sup> March, 2021.
9. We 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

10. 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 the 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.

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

For **NSBP & CO.**  
*Chartered Accountants*  
Firm Registration No.001075N

**Deepak K. Aggarwal**  
*Partner*  
Membership No.: 095541  
UDIN: 21095541AAAAEG1079

## ANNEXURE - V

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

### 1. Conservation of Energy

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing. Details of total energy consumption and energy consumption per unit of production are furnished in the prescribed Form 'A' below.

#### FORM 'A'

Form for Disclosure of Particulars with Respect to Conservation of Energy

#### A. POWER AND FUEL CONSUMPTION

		Current Year 2020-21	Previous Year 2019-20
1.	Electricity		
	a) Purchased		
	Unit – KWH	NIL	9,66,501
	Total amount (₹)	NIL	1,06,61,252
	Rate / Unit (₹)	NIL	11.03
	b) Own Generation		
	i) Through Diesel Generator		
	Unit –KWH	53,480	1,00,128
	Unit Per Ltrs of Diesel	3.08	3.26
	Oil cost/Unit(₹)	25.31	19.83
	ii) Through Steam Turbine/Generator		
	Unit –KWH	31,66,36,311	28,95,02,896
	Unit per Ltrs of fuel		
	Oil/Gas		
	Cost/Unit (₹)		
2.	Coal (Specify quantity and where used)		
	Quantity (Tonnes)	NIL	NIL
	Total Cost	N.A.	N.A.
	Average Rate	N.A.	N.A.
3.	Furnace Oil		
	Quantity (Kilogram Ltrs.)	NIL	NIL
	Total amount	N.A.	N.A.
	Average Rate	N.A.	N.A.
4.	Other / internal Generation		

	Bagasse (Qtls.)		Firewood (Qtls.)		Diesel (Ltrs.)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Quantity	1,09,71,121.07	92,67,905.42	–	–	17,353	30,668
Total Cost (C)	Own generation	Own generation	–	–	13,53,808	19,85,842
Rate/Unit (C)			–	–	25.31	19.83

## B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT – SUGAR (Unit Qtls.)

Total Sugar Produced = 45,93,010 Qtls

	Standards (if any)	Current Year 2020-21	Previous Year 2019-20
Electricity (KWH)	N.A.	–	–
Furnace Oil	N.A.	–	–
Coal (Specify Qua)	N.A.	–	–
Others (Specify)	N.A.	–	–
Firewood (MT)	N.A.	–	–
G.N. Husk (MT)	N.A.	–	–
Bagasse (MT)		0.24 MT/Qtls of Sugar	0.23 MT/Qtls of Sugar

- Steps taken by the Company for utilizing alternate sources of energy:** The Company is producing renewable energy from Bagasse, which is eco-friendly & meets its captive requirement of power from such energy & sells surplus power to state Grid.
- Capital Investment on energy conservation equipment:** NIL

## TECHNOLOGY ABSORPTION

### FORM 'B'

#### Form for Disclosure of Particulars in Respect of Technology Absorption

### I Research and Development:

#### A. FOCUS AREA

To increase the per unit production and productivity of cane, interaction with the cane growers of our reserved area, sugar cane scientists/research stations and Cane Development Council/Cane Co-operative Societies of the reserved zone to educate the cane cultivators and field staff members to disseminate the new and improved cane cultivation technology, innovation in sugarcane research and modern farming package of practices. Educating farmers for adoption of crop rotation, ratoon management technology, intercropping, establishment of cane seed nurseries for multiplication of seed as well as for commercial cultivation, use of Bio-agents, adoption of cultural practices and plant protection measures from insect, pest and diseases. Time to time we also disseminate the new technology and different information on website of the company as well as through SIS, SMS and mobile app on mobiles of the cane suppliers.

#### 1. SOIL HEALTH:-

To know about the soil health we use to collect the representative soil samples of the whole village (10 to 15 soil

samples) from each & every villages (representative sample of the whole village) from farmer's field, got analyzed the samples of almost all villages of our reserved zone; prepared the soil fertility map with the technical guidance of nearest research station for finding the NPK availability as well as pH and organic matter in the soil and requirement for cane cultivation along with data of pH, organic carbon etc. Growers are advised to use inputs as per requirements of soil, so that optimum fertilizer dose can be given to increase the quality & yield of cane crop and other major crops. As per reports of soil analysis of different villages and centres, recommendation is given to the cane growers, so that concept and use of balance fertilizer could be maintained, availability of organic manures in the soil is scarce, to fulfill the requirement of organic matter in the soil, we are providing bio-fertilizer/ bio-compost to the farmers free of cost for sugar cane cultivation and encouraging the farmers to keep the ratoon through trash mulching. Approx. 97% ratoon is kept through trash mulching resulting increase in organic matter in the soil. For mulching of dry traces we are providing the facility of trash Mulchers to the farmers free of cost. It will facilitate for drenching of Coragen and other intercultural operation in ratoon crop. In

our reserved zone where there are heavy soils we are providing fly ash (boiler ash) free of cost to the farmers which is being added in the field resulting the soil structure and water holding capacity of soil has increased.

## **2. PLANT PROTECTION:-**

Under plant protection measures, timely arrangement of quality agrochemicals for soil treatment, seed treatment and control of other insect, pests & diseases affecting the sugarcane crop in our area. Agrochemicals and fertilizers are provided on subsidised rates. In autumn and spring planted cane mild incidence of first brood of Top Borer appeared in general in all cane varieties and we have got drenching of Coragen which has successfully controlled the incidence of Top borer. Technical guidance in respect of identification of insect, pest and diseases & its control measures is being provided to the farmers through our trained agriculture officers free of cost. The quality pesticides & fungicides are provided to the farmers on subsidized rates. To control of incidence of red rot disease as precautionary measure we have provided Thiophinate Methyale (Hexastop) at the time of plating on 50% subsidy for seed treatment.

## **3. VARIETAL IMPROVEMENT:-**

Distribution of nuclear/ certified cane seeds of different improved sugarcane varieties like Cos-08272, Co-98014, Colk- 94184, Cose- 03234, Co 0238, 0118, CoJ- 85, Co 5011 & CoH-160 etc. for raising the foundation seed nurseries and subsequent multiplication in primary and secondary nurseries. Allotted nuclear cane seed of different cane varieties obtained from research stations/centres distributed among the farmers on subsidized rates. All these varieties have been found suitable and are under further multiplication in the command area.

## **4. TECHNICAL GUIDANCE:-**

Proper supervision of cane seed nurseries/commercial cane crop is provided by our technically trained staff. As and when required, Sugarcane Scientists are invited to provide technical guidance to the farmers for propagation and multiplication of better quality cane seed. Time to time identification of insect, pest & diseases in the field and its control measures through application of agro-chemicals provided by our trained staff.

## **5. MANAGEMENT OF DISEASES:-**

Management of common diseases is continue through cane seed treatment of improved varieties with M.H.A.T. units to control seed-borne diseases like Grassy shoot disease, Ratoon stunting disease, Red leafs trip and leafs tripe diseases etc. In new cane varieties like Co-0238, 0239, 0118, CoJ-85 and in some other broad leaved varieties the incidence of Pokka Boeng, Top-rot have also observed during past 3-4 years in the rainy season, farmers had advised to rough out the affected clumps, however, its impact has been non-significant on the crop. Fungo super and Saffilizer was provided on subsidized rates for control of Pokka Boeng disease. For future as precautionary measures, we have planned timely spray of Saffilizer and Hexastop, to stop the occurrence of Pokka

boeing and Top rot disease. For management of GSD farmers are being advised for roughing and destroy of the affected clumps followed by spray of Sugron-H. In ratoon crop of Co-0238 and Cos-08272 Chlorosis disease observed, we have advised the farmers for spray of Ferous Sulphate and Nano Zinc to control the same and significant result observed.

## **6. STAFF / FARMER'S TRAINING & VISITS:-**

To educate the farmers regarding intercultural practices in sugar cane crop to achieve higher profitability with proper yield and good quality of cane. We conducts farmer's seminars/ Goshti and arranged farmer's trainings & tours at Sugarcane Research stations and at other progressive farmers' fields, also arranged staff trainings through in house refresher training programme. Small growers have taken interest for intercropping of pulses crops with sugarcane. Concept of mixed cropping is being propagated in entire command area. Farmers are being encouraged through Kisan Goshti for planting of cane in the month of September to get maximum yield of sugar cane and intercrops. Farmers are being advised to reduce the area under cane and to plant the cane in the month of September so that they may get more production per unit area with minimum land, it will help in maintaining the soil health and by adoption of crop rotation occurrence of weeds and insects may be minimized.

## **7. INFRA-STRUCTURE DEVELOPMENT:-**

To facilitate the farmers for smooth transportation of cane and other agredviculture produce, we take up construction, repairing and maintenance of link roads in our reserved zone to facilitate easy transportation of sugarcane from the respective fields/villages of farmers to centres and from centres to Mills, we facilitate the same with the help of Cane Development Councils' and contribution of 25% share. Construction/major repairing of link road are undertaken on priority basis and Govt. authorities are being followed up for the same on regular basis.

## **8. DEMONSTRATION & TRIALS:-**

Conduct demonstrations/trials of different cane varieties like Co 0238, 0118 and CoJ 85, Cose-03234, Co-98014, Cos-08272, CoH-160 and Colk-94184 effectiveness of fertilizers/manures and effect of different agrochemicals in different soil conditions, topography and means of irrigation to determine the best means for its general adoption. We are providing the service of agriculture implements to the cane growers free of charges to popularize deep ploughing of soil for better tillage operations through M.B. Plough, Disc plough and for proper depth and width of sugar cane planting Paired row Trench planter and spaced row trench planters in our command area for spaced row/deep cane planting. Farmers are being encouraged for laser leveling of the land before planting/sowing of any crops, so that proper use of fertilizers may be ensured. It also saves the time and money about 35% incurred for irrigation.

## **9. DEVELOPMENT OF IRRIGATION FACILITIES:-**

To develop the new cane area in rain fed zone a large number



of Deep tube well boring is being undertaken. We are providing financial help to the growers by providing bore-well charges, all material cost is borne by the growers themselves. This scheme continued in our dry belt and rain fed area in the past 12 years which is about 25% of the total reserved area. All the deep bore wells are running well. Farmers are being encouraged to adopt the facility of drip irrigation on subsidized rate as it will save the water and macro and micronutrient may also be given in the root zone of the crop.

#### **10. MECHENIZATION IN CANE LOADING:-**

In order to reduce dependability on manual loading labourers and to reduce time between harvesting and crushing of cane, we introduced mechanical cane loaders for loading of cane at out cane purchasing centres. We have hired sufficient nos. of cane loader for smooth cane loading at out cane purchasing centres. The working of cane loader found satisfactory. Sometimes it rains during in winter season due to this out cane purchasing centre's plots become muddy resulting disturbance in cane loading through cane loader and some quantum of mud/wet soils come with the cane, which is directly financial lose. Mud/wet soils reduces efficiency of machinery also. To overcome from this problem we have planned for brick soling at out cane purchasing centre plots so that cane loading may not held up and lose of machinery may also be avoided.

### **B. BENEFITS DERIVED**

#### **1. IMPROVEMENT IN VARIETAL BALANCE:-**

Area under Early and improved varieties has increased. Under early cane varieties it has increased from 97 to 100%. New improved sugarcane varieties like-Co-0238, 0118, Co-98014, CoJ-85, Colk-94184, Cos-08272 and Coh-160 multiplied fast, since it helps increase in cane yield as well as sugar recovery. Unsuitable and rejected cane varieties have been replaced with early and new improved cane varieties.

#### **2. INCREASE IN CANE QUALITY & PRODUCTION:-**

Distribution of cane seed of improved varieties, Bio-agents/ Agrochemicals, bio fertilizers & other developmental activities have improved cane production, productivity and sugar recovery also. **Since last two years as a group, we are on top in sugar recovery not only in UP, but also in India.**

#### **3. SAVING OF TIME & MONEY:-**

Use of improved agricultural implements, use of sprayers in protection of cane crops from insect, pests & diseases and cane loading by mechanical cane loader at centres helped in mechanization of cane cultivation as well as cane marketing, which has helped in increasing of cane yield and made sugar cane cultivation easy and economical.

#### **4. FARMERS AWARENESS:-**

Exhibition/demonstration, farmers meeting, training and tour programmes have been very useful in imparting improved technical know-how of sugar cane cultivation to cane growers as well as staff members. Awareness about improved

technology of sugarcane cultivation, adoption of package and practices of sugarcane cultivation has helped increase in cane yield, quality of cane as well as sugar recovery.

#### **5. INCREASE IN IRRIGATION FACILITY:-**

Developed irrigation facility through deep tube well boring scheme supported by the factory in rain fed area. This has helped the growers to increase area under cane as well as improvement in cane production. We have established 140 borings at farmers' fields under this scheme and all are successful by which farmers are able to grow cane even in rain fed area. Drip irrigation has helped in water saving, application macro and micro nutrients become easy.

#### **6. SUGARCANE INFORMATION SYSTEM:-**

Cane commissioner UP, Lucknow has introduced SIS (sugarcane information system) which helped in providing different types of information like – cane area, varieties, Basic quota, no. of supply tickets, cane supply position, cane price payment and all other information related to cane supply/ cane area of the farmers. Apart from this, it helps in providing cane development activities information like – improved cane varieties, cane planting methods, incidence of insect/ pest and diseases, information related to agrochemicals for control of pest and diseases etc. through SMS, on website the information are updated on daily basis. This has facilitated the cane growers/suppliers. Cane are a survey conducted with GPS Machine & its display on website and availability of all information related with cane on website or through SMS, IVRS & Quarry SMS, also create awareness among the cane growers. We have launched our company mobile app by which farmers may have the inquiries related with their Satta i.e. Culturable land, cane area, varieties, Basic Quota and cane price payment etc. Progressive farmers of our reserved cane area are included in WhatsApp group of Kisaan Mitra Club and important information related with incidence of insect, pests, diseases and their controls measures are shared on this group.

#### **C. ACTION PLAN:**

1. For proper varietal balance, replacement of old & unsuitable cane varieties with new & improved cane varieties to be continued and we will try to minimize the area not more than 40% under a single cane variety.
2. To maintain new improved cane seed nurseries like – Co-0238, Cos-08272, Colk-94184, Co-0118, CoJ-85, etc under supervision of our trained cane staff so as to achieve the results of low fibre, high sugar, high juice and high yield from these cane varieties. New cane variety Co-0238 is multiplying at fast speed and the present area under this variety is about 99% in early group of cane varieties.
3. Conduct more and more Farmers meeting & Seminars with a view to educate the farmers on new Technology, and advance packages and practices in sugarcane cultivation, ratoon management etc., which have proven

to be very useful through creating positive impact on the cane growers to maintain better relation, and to get higher cane yield and sugar recovery.

4. Focus on construction of link roads for easy and smooth transportation of sugar cane at mills gate as well as at out centres, to facilitate sugarcane suppliers as well as cane transporters with a view to reduce cane transportation cost.
5. Support for deep bore well facility and drip irrigation facility in rain fed area to be continued.
6. Mechanization in sugar cane cultivation & cane loading at out centres.
7. Introduction of mini tractor for inter-cultural operation in sugarcane.
8. Introduction of cane harvesters.

## II Technology Absorption, Adoption and Innovation

### EFFORTS MADE

1. Raising of seed nurseries of new and promising cane varieties, seed multiplication programme, establishment of demonstration plots and distribution of quality agrochemicals has helped in improvement in proper varietal combination, significant improvement in cane yield as well as sugar recovery.
2. In view of labour scarcity in future, the company is making efforts to introduce more mechanization in cane cultivation i.e. automatic cane planter, cane harvesters, small tractors for inter cultural operations, new trench planters etc.
3. In order to improve monitoring of cane yard, CCTV camera has been installed at gate W/Bs and GPS system has been installed at company vehicle used for field activities.
4. We are conducting demonstration and trials of different fertilizer and agro-chemicals at our campus so that we may know best product which may be recommended for sugarcane cultivation to the farmers.
5. In order to disseminate information, sugar cane information system (Cane Website, IVRS, SMS, QSMS, mobile app) is being updated regularly.
6. New and improved agricultural implements like- Trench Ridger, M.B. plough, Disk plough, Sugarcane cultivator, Sugarcane planter etc. have come in the market. These are cost effective and given better performance. Such

implements have been purchased and their services are being provided to the cane planters free of charge.

7. The Company has carried out the survey of the cane area through satellite mapping. This will facilitate the better estimation of cane area, cane production and condition of the cane crop which may further help in arriving at the tentative estimation of sugar production in the ensuing season.
8. Online weighment of cane at out cane purchasing centres through HHC, Challan Generation to the trucks from out centres through HHC has helped in smooth and transparent working.
9. Brick soling at out cane purchasing centre will help in the loading of cane during rains in the running crushing season and quantity of mud/wet soil could be avoided at brick soling plots.
10. To save the wonder cane variety Co-0238 for long time/ to increase of the longevity of the same a special programme of cane seed treatment and soil treatment will be carried out on war footing basis.

III The Company has not imported any technology.

### IV EXPENDITURE INCURRED ON R&D

Sr No.	Particulars	Amount (₹ lakh)
1	Capital	Nil
2	Recurring	93.63
3	Total	93.63
4	Total R&D expenditure as percentage of total turnover	0.05%

### FOREIGN EXCHANGE EARNINGS & OUTGO

Sr No.	Particulars	Amount (₹ lakh)
a)	CIF VALUE OF IMPORTS	Nil
b)	EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)	
	Foreign Travelling Expenses	-
	Interest on Foreign Currency Term Loans	-
	Bank Charges on foreign remittances	0.71
	Computer software purchase	0.37
	Legal fees	-
c)	EXPENDITURE IN FOREIGN CURRENCY	
	FOB value of export sales	11,080.40
	Other income	37.05

On behalf of the Board of Director

Place: Mumbai  
Date: 12<sup>th</sup> May, 2021

**B. J. Maheshwari**  
Managing Director & CS cum CCO  
(DIN: 00002075)

**Vijay S Banka**  
Managing Director  
(DIN: 00963355)

**Annexure VI**  
**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**DWARIKESH SUGAR INDUSTRIES LIMITED**  
Dwarikesh Nagar, Bijnore,  
Uttar Pradesh-246762.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "DWARIKESH SUGAR INDUSTRIES LIMITED" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us 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, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31<sup>st</sup> March, 2021 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 extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 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 hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review.
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
6. Other Laws applicable to the Company:
  - i. The Factories Act, 1948.
  - ii. The Payment of Wages Act, 1936.
  - iii. The Minimum Wages Act, 1948.
  - iv. The Employee Provident Fund and Miscellaneous

Provisions Act, 1952.

- v. The Payment of Gratuity Act, 1972.
- vi. The Bombay Shops and Establishments Act, 1948.
- vii. The Maharashtra Labour Welfare Fund Act, 1953.
- viii. The Environment (Protection) Act, 1986.
- ix. The Industrial Dispute Act, 1947

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. During the year under review following change took place in the

composition of the Board of Directors of the Company:

- The members in the Annual General Meeting held on 11<sup>th</sup> August, 2020 approved the re-appointment of Shri Balkumar K. Agarwal, Shri K. N. Prithviraj and Ms. Nina Chatrath as independent directors (non-executive) of the Company.
- Shri Gopal B. Hosur and Shri Rajan K. Medhekar were appointed as additional directors on 2<sup>nd</sup> November, 2020.

The aforementioned change was carried out in conformity and compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

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.

Date: 12<sup>th</sup> May, 2021  
Place: Mumbai

For VKM & ASSOCIATES  
Company Secretaries  
(Vijay Kumar Mishra)  
Partner  
M. No. F-5023 COP No.4279  
UDIN: F005023C000283719

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

## "ANNEXURE A"

To,  
The Members,  
**DWARIKESH SUGAR INDUSTRIES LIMITED**  
Dwarikesh Nagar, Bijnore, Uttar Pradesh-246762

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

### Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

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 the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

### Disclaimer

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

Date: 12<sup>th</sup> May, 2021  
Place: Mumbai

For VKM & ASSOCIATES  
*Company Secretaries*  
**(Vijay Kumar Mishra)**  
*Partner*

M. No. F-5023 COP No.4279  
UDIN: F005023C000283719



## ANNEXURE VII

# BUSINESS RESPONSIBILITY REPORT

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L15421UP1993PLC018642
2.	Name of the Company	:	Dwarikesh Sugar Industries Limited
3.	Registered Office	:	Dwarikesh Nagar, Bijnore, Uttar Pradesh 246762
4.	Website	:	www.dwarikesh.com
5.	E-mail ID	:	investors@dwarikesh.com
6.	Financial Year reported	:	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Sugar Manufacturing
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Manufacturing of Sugar, Industrial Alcohol & Generation of Power
9.	Total number of locations where business activity is undertaken by the Company		
	Number of International Locations	:	Not applicable
	Number of National Locations	:	3 (Three) i.e. Uttar Pradesh, Delhi & Mumbai
10.	Markets served by the Company – Local/ State/National/International	:	We serve all 4 areas.

### Section B: Financial Details of the Company

1.	Paid up Capital (INR)	:	1,883.01 lakh
2.	Total Turnover (INR)	:	1,84,594.24 lakh
3.	Total profit after taxes (INR)	:	9,153.83 lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2% of average net profit for previous three years in respect of Standalone Dwarikesh Sugar Industries Limited
5.	List of activities in which expenditure in 4 above has been incurred	:	Education and Skill Building, Health and wellness & Contribution to Trust

### Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	:	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) –	:	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	:	No

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors for implementation of the BR policy/policies:

The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN	Name	Designation
00001085	Shri B. K. Agarwal	Non-Executive Independent Director
00963355	Shri Vijay S. Banka	Managing Director
00002075	Shri B. J. Maheshwari	Managing Director & CS Cum CCO
00002078	Shri G R Morarka	Executive Chairman
00115317	Shri K. N. Prithviraj	Non-Executive Independent Director
08884883	Shri Gopal B. Hosur	Additional Independent Director
07940253	Shri Rajan K. Medhekar	Additional Independent Director

#### (b) Details of the BR head

Name: Shri B. J. Maheshwari

DIN: 00002075

Designation: Managing Director & CS cum CCO

Tel No.: 022 22042945

Email ID: bjmaheshwari@dwarikesh.com

### 2. Principle wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 - Businesses should promote the wellbeing of all employees
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 - Businesses should respect and promote human rights
- P6 - Business should respect, protect, and make efforts to restore the environment
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 - Businesses should support inclusive growth and equitable development
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y*	Y*	Y*	Y**	Y***	Y*	Y*	Y*	Y*
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* DSIL Code of Conduct:

[https://www.dwarikesh.com/pdf/2018/Code\\_of\\_Conduct\\_for\\_Senior\\_Management\\_and\\_Director.pdf?abc=1](https://www.dwarikesh.com/pdf/2018/Code_of_Conduct_for_Senior_Management_and_Director.pdf?abc=1)

\*\* CSR Policy:

<https://www.dwarikesh.com/pdf/2021/Policy-on-Corporate-Social-Responsibility.pdf>

\*\*\*Corporate Environment Policy:

<https://www.dwarikesh.com/pdf/2021/Corporate-Environment-Policy-Copy-signed.pdf>

2a. If answer to S. No. 1 against any principle, is 'No', please explain why (Tick up to 2 options): NA

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3 Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

Four Board Meetings were held during the year.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the company publishes its Sustainability Report annually. In FY 2021, the Sustainability Report is part of this Annual Report.

## Section E: Principle wise performance

### PRINCIPLE 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Yes

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:

In FY 2021, no concerns from stakeholder were received.

## PRINCIPLE 2

### 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- i. Sugar - Our sugar grades are L-31, M-31, S-31, L-30, M-30 and S-30, of which maximum production is of 31 colour sugar. (31 is the best colour standard fixed by the Government of India). Sugar grading is done for colour and grain size and the sugar produced at our units is regularly matched with N.S.I. standards. We maintain the percentage retention of our sugar at 85%+ as against minimum requirement of 70%.
- ii. Ethanol and Industrial Alcohol - Molasses is a bye product generated in manufacture of sugar. Molasses becomes raw material for manufacture of Industrial alcohol & ethanol. Ethanol is procured by Oil Manufacturing Companies (OMC) for blending with petrol. It's Central Government's policy to permit blending of ethanol with Petrol up to 10%. Ethanol is eco-friendly fuel & use of ethanol saves precious foreign exchange of the nation by reducing import of crude oil.
- iii. Power - Company generates power from the sugar cane residue viz. Bagasse. The power is used for captive consumption as well as surplus power is sold to Uttar Pradesh Power Corporation (UPPCL), Company has entered into agreement with UPPCL for export of 56MW.

### 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

### 3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We are procuring sugar cane from farmers around 50 to 70% of sugarcane is delivered at mill gate & brought by farmers by their own transportation viz. tractor trolleys. The Company arranges for pickup of the balance sugar cane at centres close the farmers villages to facilitate them to offload their sugarcane & the company arranges for transportation of sugar cane from these centres to mills by its own transportation.

### 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures sugarcane from thousands of farmers from the neighboring area of the sugar mills. We are interacting with them through SMS & other communications for updating them with various information for updating their knowledge. We make model fields & educate the farmers to learn the best farming practices. We provide seeds to farmers for planting sugar cane. We provide pesticides to farmers at competitive rates to fight against diseases.

### 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

Yes. For more details refer Operations and Performances which forms part of this Annual Report and also on the weblink: <https://www.dwarikesh.com/captive.html>

## PRINCIPLE 3

1	Please indicate the Total number of employees.	1,765
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1,002
3	Please indicate the Number of permanent women employees.	17
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management?	Yes

6	What percentage of your permanent employees is members of this recognized employee association?	55%																
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<p>The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Category</th> <th>No. of Complaints filed during the financial year</th> <th>No of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/forced labour/involuntary labour</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>NA</td> <td>NA</td> </tr> </tbody> </table>	Sr. No.	Category	No. of Complaints filed during the financial year	No of complaints pending as on end of the financial year	1	Child labour/forced labour/involuntary labour	NA	NA	2	Sexual harassment	NA	NA	3	Discriminatory employment	NA	NA
Sr. No.	Category	No. of Complaints filed during the financial year	No of complaints pending as on end of the financial year															
1	Child labour/forced labour/involuntary labour	NA	NA															
2	Sexual harassment	NA	NA															
3	Discriminatory employment	NA	NA															
8	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	<p>Permanent Employees - 90</p> <p>Permanent Women Employees - 100</p> <p>Casual/Temporary/Contractual Employees - 90</p> <p>Employees with Disabilities - NA</p>																

#### PRINCIPLE 4

- Has the company mapped its internal and external stakeholders? Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
Yes. Please refer the CSR policy of the Company attached in this Annual Report and also more details are provided at: <https://www.dwarikesh.com/farmers.html>

#### PRINCIPLE 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint venture, suppliers and all those who work with us.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
In FY 2021, no concerns from stakeholder were received.

#### PRINCIPLE 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
Yes. Please refer the Corporate Environment policy available at <https://www.dwarikesh.com/pdf/2021/Corporate-Environment-Policy-Copy-signed.pdf>
- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
Yes. Please refer the Corporate Environment policy available at <https://www.dwarikesh.com/pdf/2021/Corporate-Environment-Policy-Copy-signed.pdf>
- Does the company identify and assess potential environmental risks?  
Yes

- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable

- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Kindly refer our products page at weblink: <https://www.dwarikesh.com/captive.html>

- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

#### PRINCIPLE 7

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Federation of India Chambers of Commerce and Industry (FICCI),

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

#### PRINCIPLE 8

- 1 Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?

Yes. Please refer the Performances & Operations part in the Annual Report & CSR Report.

- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company uses all kinds of modes.

- 3 Have you done any impact assessment of your initiative?

Yes.

- 4 What is your company's direct contribution to

community development projects Amount in INR and the details of the projects undertaken.

Dwarikesh Group strongly belief that "Businesses cannot be successful when the society around them fails."

DSIL has always tried to contribute to the development of our society employing all the resources we can. The DSIL Group's definition of Corporate Social Responsibility. "CSR is integral to the business model of Dwarikesh Sugar Industries Ltd. through R R Morarka Charitable Trust, Narbada Devi Charitable Trust, Sewa Jyoti and its business unit CSR programs, 'DSIL' serves as a catalyst for development in the communities it operates in. DSIL serves as catalyst because it's like a substance that causes quick change or development in the community where they operate. The development explains not just about economic or financial development but also the development of community in terms of education, health, livelihood and more.

DSIL works in a host of areas including education, health, rural development, self-employment training, women's empowerment, rehabilitation of the handicapped, agriculture, environment, preservation of art and culture, handicrafts, rural sports, flood relief, family planning and child labour welfare. Its services have benefitted people of all religions, castes, regions and sections of the society as it works without any bias, discrimination or favoritism.

CSR initiatives create an immense influence on winning over the trust and confidence of concerned stakeholders thereby improving the business sustainability and performance of sugar manufacturing units. The findings of the study seem to be consistent with the stakeholder theory in order to understand and explain the firms' responsibilities toward their stakeholders.

DSIL and supporting NGO SEWAJYOTI is working exactly as a flame of service spreading light of hope and happiness among those who are not in a position to meet their basic needs such as food, education, self-employment, shelter and medical aid etc. The Rajasthan Government has Six times recognized our services to the society and has generously bestowed upon our chief trustee the highly prestigious BHAMASHAH AWARD in 2006, 2011, 2016, 2018, 2019 and 2020 (BHAMASHAH AWARD and SHIKSHA BHUSHAN AWARDS – 2018, 2019 & 2020) for a keen contribution to the cause of social development and expressed our commitment to work in the fields of education, Infrastructure development, health, women empowerment through employment generation, agriculture and industrial development.



**(A) DSIL Activities**

- I To combat COVID-19 - As a part of its Corporate Social Responsibility initiatives, DSIL has incurred following amounts:
  - i Donation given to:
    - a PM Cares – ₹51,00,000/- on 06.04.2020
    - b Dean Poor Box Charity Fund LTMG Hospital for PPE kit and N 95 Masks – ₹10,00,000/- on 06.05.2020
  - ii From 01.04.20 to 31.03.2021:
    - a. Other expenses related to providing grocery items/ PPE Kits/Masks to hospitals and required persons – ₹19,90,475/-
- II DSIL has also started various welfare initiatives to help the underprivileged, the company has supplied around 2500 numbers of packets of uncooked meals and donated medical supporting equipments. DSIL provided direct help to migrant workers and other needy individuals. Till date, DSIL has already supported around 2,500 needy families by supplying ration packets during the current nationwide lockdown.
- 5 **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to

the community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out. The company has engaged highly trained employees to drive and monitor the CSR activities.

**PRINCIPLE 9**

- 1 **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil
- 2 **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

No
- 3 **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so?**

No
- 4 **Did your company carry out any consumer survey/ consumer satisfaction trends?**

No

# Financial Statements

# Independent Auditor's Report

TO THE MEMBERS OF  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Dwarikesh Sugar Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Calculation of deferred tax liability on the basis of dual rates.</b></p> <p>From the financial year commencing April 1, 2019, the Government of India Promulgated the Taxation Laws (Amendment) Ordinance, 2019 (enacted into Taxation Laws) (Amendment) Act, 2019) has introduced Section 115BAA of the Income Tax Act 1961 in which companies can opt for lower tax rate based on certain conditions such as foregoing exemptions/deductions including deduction under chapter VI A and foregoing the benefits of MAT credit entitlement.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in relation to the recognition of deferred tax assets/liabilities included, but were not limited to, the following:</p> <p>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.</p>

Sr. No.	Key Audit Matters	Auditor's Response
	<p>As per Para 47 of IND AS 12 and clarifications given in bulletin no 23 of ITFG, where a company expects to avail of the lower tax rate only from a later financial year it should apply the lower tax rate in measurement of deferred taxes only to the extent that the deferred tax assets are expected to be realised 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 realised or deferred tax liabilities are expected to be settled in earlier periods, the normal tax rate should be applied.</p> <p>Based on the assessment made by the company, deferred tax liability/Assets as on March 31, 2021 has been calculated on the basis of dual rates as may be applicable in future. Measurement of deferred tax assets &amp; liabilities has resulted in reversal of deferred tax liability of ₹ 1,422.79 lakh.</p> <p>For details: - Refer Note No 60 to the Financial Statements</p>	<p>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.</p> <p>Evaluated the management's assessment for complying with the prescribed conditions as mentioned in the relevant notification issues by income Tax department.</p> <p>Understood and verified the assumptions taken for preparation of future profit projections, utilisation of MAT Credit and for migration to new tax regime as prepared by the management</p> <p>Tested the arithmetical accuracy of the calculations performed by the management.</p> <p>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.</p> <p>Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.</p> <p>Based on the above procedures performed, we are reasonably certain on recognition and disclosure of Deferred Tax Assets/Liabilities.</p>
2.	<p>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021</p> <p>As on March 31, 2021, the Company has inventory of sugar with the carrying value 77,604.06 lakh. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p> <p>For details: - Refer Note No 11 &amp; 46 (c) to the Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>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.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year-end minimum selling price &amp; monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</p>

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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.

### **Management's Responsibilities 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 the Ind AS and other accounting principles generally accepted in India. 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; 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 on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow 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 relevant Rules issued thereunder;

- e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 41, 42 and 43 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 derivative contracts; and
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021

**NSBP & Co.**

Chartered Accountants  
Firm's Registration No. 001075N

**Deepak K. Aggarwal**  
Partner

Place: New Delhi  
Date: May 12, 2021

Membership No: 095541  
UDIN: 21095541AAAAEF5259



## **"Annexure A" to the Independent Auditor's Report to the members of Dwarikesh Sugar Industries Limited dated May 12, 2021.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies have duly been adjusted in the financials.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties is held in the name of the company.
- (ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. In view of the lockdown restriction imposed by the Government, our attendance at the physical inventory verification done by the management was impracticable. Related alternate audit procedures were therefore relied up on to obtain assurance over the existence and condition of inventory at the year end.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms and limited liability partnership or other parties covered in the registered maintained under section 189 of the Act. Accordingly, clauses 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with provision of section 185 and 186 of the Act, with respect to the investment made.
- (v) In our opinion and according to explanation given to us, As the company has not accepted deposits as per directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of the Companies Act and rules framed there under.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, sales tax, service tax, customs duty, goods and service tax, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. Employees' state insurance is not applicable on the company. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty, Income Tax, and Cess which have not been deposited on account of any dispute, except the following in respect of disputed Excise Duty, Service Tax and Sales Tax along with the forum where dispute is pending:

Name of the statute	Nature of dues	Amount (₹ in lakh)*	Period to which the amount pertains	Forum where dispute is pending
Central Excise Act, 1944	Service Tax	41.81	2010-11 to 2011-12	AC/DC
Central Excise Act, 1944	Excise duty and Penalty	4.10	Apr-07 to Dec-07	AC/DC
Central Excise Act, 1944	Excise duty and Penalty	1.97	Jul-97, Aug-97 to Oct-97	Comm. (A), Meerut
Finance Act, 1994	Service Tax	255.14	Apr-16 to Jun-17	Commissioner, Noida
Finance Act, 1994	Service Tax	11.09	Nov-05 to Mar-09, Apr-09 to Sep-09, Oct-09 to Mar-10, Apr-10 to Sep-10, Oct-10 to Mar-11, Apr-15 to Mar-17, Apr-17 to Jun-17, Apr-07 to May-09, Sep-09, Jul-15 to May-16, Jun-16 to Jun-17, Apr-16 to Jun-17	Superintendent
Central Excise Act, 1944	Excise duty and Penalty	3.67	Apr-09 to Sep-09, Apr-10 to Sep-10, Apr-11 to Sep-11, Sep-15 to Mar-17, Apr-17 to Jun-17, March 09, Oct-09 to Mar-10, Feb-16 to Jun-17	Superintendent
Central Excise Act, 1944	Excise duty	3.11	April 07 to April 09	Superintendent

\* Net of amounts paid under protest.

- (viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayments of its dues to banks. The Company has not taken any loan from debenture holders, government and financial Institution.
- (ix) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in these financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order is not applicable to the company and, not commented upon.
- (xv) In our opinion and on the basis of information and explanations given to us, during the year Company has not entered into non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of Act are not applicable to the Company.
- (xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For NSBP & CO.**

Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No: 095541

UDIN: 21095541AAAAEF5259

Place: New Delhi

Date: May 12, 2021

# “Annexure B” to the Independent Auditor’s Report to the members of Dwarikesh Sugar Industries Limited dated May 12, 2021.

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1(f) of ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial controls over financial reporting of Dwarikesh Sugar Industries Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 Act.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit

evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal controls system over financial

reporting and such internal controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For NSBP & CO.  
Chartered Accountants  
Firm Registration No. 001075N

Deepak K. Aggarwal  
Partner

Place: New Delhi  
Date: May 12, 2021

Membership No: 095541  
UDIN: 21095541AAAAEF5259

# Balance Sheet

as at March 31, 2021

(₹ In lakh)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	40,756.96	42,720.50
(b) Right-of-use assets	3 a	237.07	313.65
(c) Capital work - in - progress	4	51.45	189.86
(d) Intangible assets	3	-	-
(e) Financial assets			
(i) Investments	5	13.26	32.92
(ii) Loans	6	50.45	46.88
(iii) Others	7	76.67	45.21
(f) Deferred tax assets (net)	8	4,977.36	5,889.42
(g) Income tax assets (net)	9	26.06	1,600.81
(h) Other non-current assets	10	186.77	185.58
		<b>46,376.05</b>	<b>51,024.83</b>
<b>(2) Current assets</b>			
(a) Inventories	11	85,530.63	91,249.58
(b) Financial assets			
(i) Investments	12	20.00	-
(ii) Trade receivables	13	6,786.63	9,800.49
(iii) Cash and cash equivalents	14	14.82	192.00
(iv) Bank balances other than (ii) above	15	102.80	116.11
(v) Loans	16	14.67	12.85
(vi) Others	17	100.67	764.54
(c) Other current assets	18	5,597.67	7,775.40
		<b>98,167.89</b>	<b>1,09,910.97</b>
<b>Total assets</b>		<b>1,44,543.94</b>	<b>1,60,935.80</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	19	1,883.01	1,883.01
(b) Other equity	20	56,008.10	46,487.76
		<b>57,891.11</b>	<b>48,370.77</b>
<b>(2) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	21	14,675.11	19,324.77
(b) Other financial liability			
Lease liabilities	22	109.60	143.25
(c) Provisions	23	2,181.92	1,898.74
(d) Other non-current liabilities	24	113.28	481.58
		<b>17,079.91</b>	<b>21,848.34</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	41,002.35	46,116.64
(ii) Trade payables	26		
(a) Total outstanding dues of the Micro and, Small Enterprises		148.80	95.35
(b) Trade payables other than (a) above		18,569.49	20,716.49
(iii) Other financial liabilities	27		
(a) Lease Liabilities		142.07	183.18
(b) Financial liabilities other than (a) above		8,265.69	22,041.70
(b) Other current liabilities	28	396.97	1,035.65
(c) Provisions	29	378.73	293.84
(d) Income tax liabilities (net)	30	668.82	233.84
		<b>69,572.92</b>	<b>90,716.69</b>
<b>Total equity and liabilities</b>		<b>1,44,543.94</b>	<b>1,60,935.80</b>

Significant accounting policies

1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors of  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

**For NSBP & Co.**

Chartered Accountants  
Firm Regn. No. 001075N

**Deepak K. Aggarwal**

Partner  
Membership No. 095541

Place: New Delhi  
Date: May 12, 2021

**G. R. Morarka**

Executive Chairman  
DIN: 00002078

**B. J. Maheshwari**

Managing Director & CS cum CCO  
DIN: 00002075

Place: Mumbai  
Date: May 12, 2021

**Vijay S. Banka**

Managing Director  
DIN: 00963355

**Alok Lohia**

Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2021

(₹ In lakh)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I. Revenue			
Revenue from operations	31	1,83,884.65	1,33,612.98
Other income	32	709.59	540.00
<b>II. Total income</b>		<b>1,84,594.24</b>	<b>1,34,152.98</b>
III. Expenses			
Cost of materials consumed	33	1,36,662.72	1,11,573.25
Changes in inventories of finished goods and work-in-progress	34	6,443.67	(8,646.71)
Employee benefits expense	35	9,274.67	7,878.45
Finance costs	36	4,765.38	3,302.77
Depreciation and amortization expenses	37	4,089.40	3,686.56
Other expenses	38	11,378.19	9,201.26
<b>IV. Total expenses</b>		<b>1,72,614.03</b>	<b>1,26,995.58</b>
V. Profit/(Loss) before exceptional items and tax (II - IV)		11,980.21	7,157.40
VI. Exceptional items		-	-
<b>VII. Profit/(Loss) before tax (V+VI)</b>		<b>11,980.21</b>	<b>7,157.40</b>
VIII. Tax expense:			
(1) Current tax	39	2,112.52	1,265.72
(2) Prior year tax reversal		(1.46)	(6.32)
(3) Deferred tax	8	715.32	(1,447.41)
<b>IX. Net Profit/(Loss) for the year from continuing operations (VII - VIII)</b>		<b>9,153.83</b>	<b>7,345.41</b>
X. Other comprehensive income/(loss)			
A (i) Items that will not be reclassified to profit or loss	40	(16.60)	(83.57)
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.88	29.48
B (i) Items that will be reclassified to profit or loss Fair value changes on derivatives designated as cash flow hedge		579.85	(1,138.08)
(ii) Income tax relating to items that will be reclassified to profit or loss		(202.62)	397.69
<b>Total other comprehensive income/(loss), net of taxes</b>		<b>366.51</b>	<b>(794.48)</b>
XI. Total comprehensive income/(loss) for the year (IX + X)		9,520.34	6,550.93
XII. Earning per equity share (face value ₹ 1 per share)			
(1) Basic		4.86	3.90
(2) Diluted		4.86	3.90

Significant accounting policies

1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

**For NSBP & Co.**  
Chartered Accountants  
Firm Regn. No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No. 095541

Place: New Delhi  
Date: May 12, 2021

For and on behalf of the Board of Directors of  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

**G. R. Morarka**  
Executive Chairman  
DIN: 00002078

**B. J. Maheshwari**  
Managing Director & CS cum CCO  
DIN: 00002075

Place: Mumbai  
Date: May 12, 2021

**Vijay S. Banka**  
Managing Director  
DIN: 00963355

**Alok Lohia**  
Chief Financial Officer



## Cash Flow Statement for the year ended March 31, 2021

(₹ In lakh)

	Year ended March 31, 2021		Year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		11,980.21		7,157.40
<b>Adjustments for :</b>				
Depreciation and amortization expenses	4,089.40		3,687.40	
Loss/(surplus) on sale of property, plant and equipment	10.08		7.52	
Finance costs	4,765.38		3,302.77	
Interest income on bank deposit & income tax refund	(163.48)		(16.70)	
Interest income on financial assets carried at amortised cost	(319.34)	8,382.04	(407.11)	6,573.88
<b>Operating profit before working capital changes</b>		<b>20,362.25</b>		<b>13,731.28</b>
<b>Adjustments for changes in Working Capital :</b>				
(Increase)/Decrease in :-				
Inventories	5,718.95		(8,848.71)	
Trade and other receivables	5,086.27		(5,653.14)	
Trade and other payables	(1,503.29)	9,301.93	3,336.09	(11,165.76)
<b>Cash generated from operations</b>		29,664.18		2,565.52
Direct taxes paid (Net of refund)		(101.33)		(1,435.49)
<b>Net cash from operating activities</b>		<b>29,562.85</b>		<b>1,130.03</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital advances)	(1,948.03)		(11,194.89)	
Sale of property, plant and equipment	22.17		40.15	
Interest received	163.48		16.70	
<b>Net cash used in investing activities</b>		<b>(1,762.38)</b>		<b>(11,138.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(repayment) of long term borrowings (net)	(18,494.46)		22,219.02	
Proceeds/(repayment) of short term borrowings (net)	(5,114.29)		(3,478.69)	
Interest paid	(4,343.23)		(3,857.83)	
Equity Dividend (including dividend distribution tax)	-		(4,540.15)	
Repayment of lease liability	(25.67)		(193.51)	
<b>Net cash used in financing activities</b>		<b>(27,977.65)</b>		<b>10,148.84</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(177.18)</b>		<b>140.83</b>
Cash and cash equivalents at the beginning of the year		192.00		51.17
<b>Cash and cash equivalents at the end of the year</b>		<b>14.82</b>		<b>192.00</b>

## Cash Flow Statement for the year ended March 31, 2021

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Notes:</b>		
1. Cash and cash equivalents at the end of the year comprise:		
i) Current accounts	6.03	172.32
ii) Cash on hand	8.79	19.68
<b>Total</b>	<b>14.82</b>	<b>192.00</b>

- Figures in bracket indicate cash outflow.
  - The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 specified under section 133 of the Companies Act 2013.
  - Previous year figures have been regrouped and recasted wherever necessary to confirm to the current year's classification.
- Significant accounting policies 1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

**For NSBP & Co.**  
Chartered Accountants  
Firm Regn. No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No. 095541

Place: New Delhi  
Date: May 12, 2021

For and on behalf of the Board of Directors of  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

**G. R. Morarka**  
Executive Chairman  
DIN: 00002078

**B. J. Maheshwari**  
Managing Director & CS cum CCO  
DIN: 00002075

Place: Mumbai  
Date: May 12, 2021

**Vijay S. Banka**  
Managing Director  
DIN: 00963355

**Alok Lohia**  
Chief Financial Officer

## Notes to Financial Statements as at March 31, 2021

### A. Equity Share Capital

(₹ In lakh)

	March 31, 2021	Change during the year	March 31, 2020	Change during the year	April 1, 2019
Balance of Equity Share Capital	1,883.01	-	1,883.01	-	1,883.01
	<b>1,883.01</b>	-	<b>1,883.01</b>	-	<b>1,883.01</b>

### B. Other equity

(₹ In lakh)

	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Securities premium	Surplus in Statement of Profit and Loss	Other reserve	Equity instruments through other comprehensive income	Cash flow hedging reserves	Other	
<b>Balance as at April 01, 2019</b>	<b>59.87</b>	<b>14,688.11</b>	<b>26,945.20</b>	<b>2,489.57</b>	<b>9.96</b>	<b>363.16</b>	<b>(78.89)</b>	<b>44,476.98</b>
Add : Change during the year	-	-	7,345.41	-	1.15	(740.39)	(55.24)	6,550.93
Less : Dividend (including dividend distribution tax) paid during the year	-	-	(4,540.15)	-	-	-	-	(4,540.15)
Less : Transfer during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>59.87</b>	<b>14,688.11</b>	<b>29,750.46</b>	<b>2,489.57</b>	<b>11.11</b>	<b>(377.23)</b>	<b>(134.13)</b>	<b>46,487.76</b>
Add : Change during the year	-	-	9,153.83	1,500.00	0.34	377.23	(11.06)	11,020.34
Less : Dividend (including dividend distribution tax) paid during the year	-	-	-	-	-	-	-	-
Less : Transfer during the year	-	-	(1,500.00)	-	-	-	-	(1,500.00)
<b>Balance as at March 31, 2021</b>	<b>59.87</b>	<b>14,688.11</b>	<b>37,404.29</b>	<b>3,989.57</b>	<b>11.45</b>	<b>-</b>	<b>(145.19)</b>	<b>56,008.10</b>

Significant accounting policies 1 & 2

Note:

- Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write off equity related expenses like underwriting cost etc.
- Retained earnings represents the undistributed profits of the company.
- General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act 1956, it was mandatory to transfer amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Capital redemption reserve represents the statutory reserve created when capital is redeemed.
- Other comprehensive income(OCI) reserve represents the balance in equity for items to be accounted in other comprehensive income. OCI is classified in to i) items that will not be reclassified to statement of profit & loss and ii) items that will be reclassified to statement of profit & loss.

The accompanying notes form an integral part of these financial statements

As per our report of even date

**For NSBP & Co.**

Chartered Accountants  
Firm Regn. No. 001075N

**Deepak K. Aggarwal**

Partner  
Membership No. 095541

Place: New Delhi

Date: May 12, 2021

For and on behalf of the Board of Directors of  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

**G. R. Morarka**

Executive Chairman  
DIN: 00002078

**B. J. Maheshwari**

Managing Director & CS cum CCO Chief Financial Officer  
DIN: 00002075

Place: Mumbai

Date: May 12, 2021

**Vijay S. Banka**

Managing Director  
DIN: 00963355

**Alok Lohia**

Chief Financial Officer

# Notes to Financial Statements as at March 31, 2021

## 1. Company overview and significant accounting policies

### A. Corporate Overview

Dwarikesh Sugar Industries Limited (DSIL) is a public limited company domiciled in India and was incorporated in the year 1993 under the provisions of the Companies Act, 1956 superseded by the Companies Act, 2013. DSIL is integrated conglomerate, primarily engaged in manufacture of sugar and allied products. From a humble beginning in 1993, DSIL today is a multi-faceted, fast growing industrial group with the strong presence in diversified fields such as sugar manufacturing, power and Ethanol/Industrial Alcohol production. The Company has three sugar manufacturing units, out of which 2 units namely Dwarikesh Nagar and Dwarikesh Puram are located in Bijnor District of Uttar Pradesh (U.P) and one unit namely Dwarikesh Dham in Bareilly District (U.P). 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 (₹).

Registration details: Registration No. CIN: L15421UP1993PLC018642 State code 20

### B. i) Statement of compliance:

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 Wednesday, May 12, 2021.

### ii) Basis of preparation:

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. Operating cycle

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

### D. Functional and presentation currency

The financial statements 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 thousand.

### E. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (i) Property, plant and equipment

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual

## Notes to Financial Statements as at March 31, 2021

value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

### (ii) Recognition and measurement of defined benefit obligations

The obligation arising from define benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumption includes discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.

### (iii) 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 activate markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market where possible, but if this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

### (iv) Intangibles

Intangible assets are amortized over their estimated useful life as estimated by management on straight line basis, commencing from the date, the asset is available to the Company for its use. Computers software are depreciated fully in the year of addition.

### (v) Provision for contingencies

Provisions are recognised when the Company has a present obligation(legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## F. Impairment of financial instruments

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## Notes to Financial Statements as at March 31, 2021

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.

### 2. Significant accounting policies

#### A. Property, plant and equipment (PPE)

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. 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 depreciated it accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred. 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.

Pre-operative expenditure incurred up to the date of commencement of commercial production is capitalized as part of property, plant and equipment.

Emergency machinery spares of irregular use and critical insurance machinery spares are capitalized as part of relevant plant & machinery. Capital work in progress includes property plant & equipment under installation/under development as at the balance sheet date.

Capital expenditure on tangible assets for research and development is classified under property and equipment and is depreciated on the same basis as other property, plant and equipment.

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 recognized in the statement of profit and loss in the year of occurrence.

#### B. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit & loss as & when incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net



## Notes to Financial Statements as at March 31, 2021

disposal proceeds and the carrying amount of the asset is recognized in statement of profit & loss in the period of de-recognition.

### C. Intangible assets

Intangible assets are amortized over their estimated useful life on straight line basis, commencing from the date, the asset is available to the Company for its use. Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard are classified as intangible assets and are amortized over the period of economic benefits not exceeding ten years, except Computers software which is depreciated fully in the year of addition.

### D. Depreciation and amortization

The assets' residual values, useful lives and methods of deprecation are reviewed each financial year end and adjusted prospectively, if applicable. Depreciation on tangible assets is provided on straight line method over the useful life of assets estimated by the Management. Property, Plant and Equipment which are added / disposed of during the year, depreciation is provided pro-rata basis with reference to the month of addition / deletion.

The management estimates the useful life for fixed assets as follows:

Asset*	Useful life (years)
Factory building	28.50
Non factory building	58.25
Plant & machinery other than sugar rollers	18 to 20
Plant & machinery – rollers	1
Office equipment	13.50
Furniture and fixture	15
Vehicles	10

(\*) Based on technical evaluation, the management believes that useful life as given above represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Computers (including accessories and peripherals) and temporary structures are depreciated fully in the year of addition. All assets costing ₹ 5,000 or below are depreciated in one-year period. Depreciation and amortization methods, useful life and residual values are reviewed periodically, including at the end of each financial year.

### E. Capital work-in-progress

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

### F. Impairment of Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of

## Notes to Financial Statements as at March 31, 2021

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.

### G. Inventories

Inventories are valued at lower of cost or net realizable value except in case of scrap which is taken at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale. Cost for various items of inventory is determined as under:

Raw Materials & Components (including those in transit)	Purchase cost including incidental expenses on FIFO basis
Chemicals, packing material and other store & spares (including those in transit)	Purchase cost including incidental expenses on weighted average basis.
Work in progress	At raw material cost including proportionate production overheads.
<b>Finished Goods :</b>	
1. Sugar	1. At raw material cost including proportionate production overheads.
2. Molasses	
(i) 'C' Heavy	2 (i) At average net realizable price.
(ii) 'B' Heavy	2 (ii) At derived value based on the yield / recovery of molasses & ethanol reckoned with respect to the net realisable value of the finished product (including related incidental expenses, wherever applicable).
3. Industrial Alcohol	3. At value of molasses as determined above plus proportionate production overheads in distillery.
4. Traded Goods	4. Purchase cost including incidental expenses on FIFO basis.

### H. 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.

### I. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control

## Notes to Financial Statements as at March 31, 2021

the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right- of- use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **J. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

### **K. Provisions, contingent liabilities and contingent assets**

#### **General**

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.

## Notes to Financial Statements as at March 31, 2021

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 an 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 costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

### **Contingent assets**

Contingent assets are not recognized in the financial statements.

## **L. Interest in Joint Ventures and associates**

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

## **M. 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

## Notes to Financial Statements as at March 31, 2021

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.

### **N. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sale of goods**

Sales is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

#### **Renewable Energy Certificates (REC's)**

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent sold and treated as capital receipt.

#### **Interest**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividends**

Revenue in respect of dividends is recognised when the shareholders rights to receive payment is established by the balance sheet date.

#### **Insurance claim**

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

### **O. Foreign currency translation/conversion**

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### **Initial recognition**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

#### **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar

## Notes to Financial Statements as at March 31, 2021

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. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss as other gains/(losses).

### **Q. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **R. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

#### **Defined contribution plan:**

Retirement benefits in the form of provident fund and superannuation scheme 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.

#### **Defined benefit plan:**

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 (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.



## Notes to Financial Statements as at March 31, 2021

### S. Financial Instruments

#### (a) Financial Assets

##### i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss 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 company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of financial assets.

##### iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instrument at fair value through profit or loss
- Equity investments

##### iv. Debt instrument at amortized cost

A "debt instrument" is measured at the amortized cost. Amortized cost if both the following conditions are met.

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flow, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

##### v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

##### vi. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit or loss.

## Notes to Financial Statements as at March 31, 2021

### vii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognized 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.

### viii. Impairment of 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 recognized impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

## (b) Financial liabilities

### i. Classification

The company classifies all financial liabilities as subsequently measured at amortized cost.

### ii. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loan and borrowings and payables net of directly attributable transaction costs.

### iii. Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognized in statement of profit and loss when the liabilities are derecognized.

Amortized 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.

### iv. Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and loss.

### v. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## (c) 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.

## Notes to Financial Statements as at March 31, 2021

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivatives that are designated as hedges are classified as current and non current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### **Cash flow hedge**

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

### **(d) Share capital**

Ordinary equity shares

Incremental cost directly attributable to the issue of ordinary equity shares are recognized as a deduction from equity.

## **T. 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.

The Operating Segments have been identified on the basis of the nature of products/ services.

- i. Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter- segment revenue.
- ii. Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.
- iii. Income not allocable to the segments is included in unallocable income
- iv. Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the company.
- v. Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

## Notes to Financial Statements as at March 31, 2021

### U. Government grants

Government grants are recognized 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 related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure.

If not related to a specific expenditure, it is taken as income and presented under "Other Income".

### V. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- (i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (iii) Specified format for disclosure of shareholding of promoters.
- (iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- (vii) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to Financial Statements as at March 31, 2021

### 3. Property, plant and equipment

(₹ In lakh)

	A. Tangible Assets						B. Intangible Assets		Total (A+B)	
	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total (A)		Computer software (Bought out)
<b>Gross Block (at cost)</b>										
<b>As at 01.04.2019</b>	817.60	12,353.98	61,443.28	409.21	505.90	155.11	427.33	76,112.41	205.27	205.27
Additions	-	1,316.36	12,770.06	51.93	170.36	4.32	32.55	14,345.58	9.53	9.53
Disposals	-	(26.01)	(274.74)	(5.48)	(52.70)	(0.09)	(17.05)	(376.07)	-	-
<b>As at 31.03.2020</b>	<b>817.60</b>	<b>13,644.33</b>	<b>73,938.60</b>	<b>455.66</b>	<b>623.56</b>	<b>159.34</b>	<b>442.83</b>	<b>90,081.92</b>	<b>214.80</b>	<b>214.80</b>
Additions	-	69.17	1,673.38	42.71	173.80	5.06	38.35	2,002.47	-	-
Disposals	-	-	(30.91)	(11.02)	(61.75)	(3.62)	(8.64)	(115.94)	(5.20)	(5.20)
<b>As at 31.03.2021</b>	<b>817.60</b>	<b>13,713.50</b>	<b>75,581.07</b>	<b>487.35</b>	<b>735.61</b>	<b>160.78</b>	<b>472.54</b>	<b>91,968.45</b>	<b>209.60</b>	<b>209.60</b>
<b>Depreciation/Amortisation</b>										
<b>As at 01.04.2019</b>	-	5,093.33	38,018.34	294.28	244.51	92.77	427.33	44,170.56	205.27	205.27
Charge for the year	-	271.04	3,044.33	27.75	39.69	7.99	32.55	3,423.35	9.53	9.53
Disposals	-	(9.75)	(179.11)	(4.80)	(21.75)	(0.03)	(17.05)	(232.49)	-	-
<b>As at 31.03.2020</b>	<b>-</b>	<b>5,354.62</b>	<b>40,883.56</b>	<b>317.23</b>	<b>262.45</b>	<b>100.73</b>	<b>442.83</b>	<b>47,361.42</b>	<b>214.80</b>	<b>214.80</b>
Charge for the year	-	303.61	3,503.18	27.74	48.70	8.03	38.35	3,929.61	-	-
Disposals	-	-	(23.99)	(10.19)	(34.06)	(2.66)	(8.64)	(79.54)	(5.20)	(5.20)
<b>As at 31.03.2021</b>	<b>-</b>	<b>5,658.23</b>	<b>44,362.75</b>	<b>334.78</b>	<b>277.09</b>	<b>106.10</b>	<b>472.54</b>	<b>51,211.49</b>	<b>209.60</b>	<b>209.60</b>
<b>Net Block as at 31.03.2021</b>	<b>817.60</b>	<b>8,055.27</b>	<b>31,218.32</b>	<b>152.57</b>	<b>458.52</b>	<b>54.68</b>	<b>-</b>	<b>40,756.96</b>	<b>-</b>	<b>-</b>
<b>Net Block as at 31.03.2020</b>	<b>817.60</b>	<b>8,289.71</b>	<b>33,055.04</b>	<b>138.43</b>	<b>361.11</b>	<b>58.61</b>	<b>-</b>	<b>42,720.50</b>	<b>-</b>	<b>-</b>

Note: Refer note no 45 for charges.

Note: From depreciation and amortisation for the period, ₹ Nil (previous year ₹ 0.84 lakh is transferred to preoperative expenses)

## Notes to Financial Statements as at March 31, 2021

### 3 a Right- of- Use Assets

(₹ In lakh)

	Amount
<b>Gross Block (at cost)</b>	
<b>As at 01.04.2019</b>	-
Additions	472.28
Disposals	-
<b>As at 31.03.2020</b>	<b>472.28</b>
Additions	79.05
Disposals	-
<b>As at 31.03.2021</b>	<b>551.33</b>
<b>Amortisation</b>	
<b>As at 01.04.2019</b>	-
Charge for the year	158.63
Disposals	-
<b>As at 31.03.2020</b>	<b>158.63</b>
Charge for the year	155.63
Disposals	-
<b>As at 31.03.2021</b>	<b>314.26</b>
<b>Net Block as at 31.03.2021</b>	<b>237.07</b>
<b>Net Block as at 31.03.2020</b>	<b>313.65</b>

### 4 Capital Work in Progress: #

(₹ In lakh)

	Amount
<b>Opening as at 01.04.2019</b>	<b>1,614.84</b>
<b>Additions</b>	
Expenditure made during the year	12,614.08
Capitalised during the year	(14,039.06)
<b>As at 31.03.2020</b>	<b>189.86</b>
Expenditure made during the year	1,212.40
Capitalised during the year	(1,350.81)
<b>As at 31.03.2021</b>	<b>51.45</b>

### # Pre-operative expenditure included in CWIP expenses

(₹ In lakh)

	Amount	Amount
<b>Carried forward as part of CWIP As at 01.04.2019</b>		<b>45.38</b>
<b>Additions</b>		
Expenditure made during the year		
(i) Interest and other processing fees	256.46	
(ii) Employee benefit expenses	58.76	
(iii) Depreciation & amortisation	0.84	
(iv) Misc. Expenses	14.20	330.26
Capitalised during the year		(375.64)



## Notes to Financial Statements as at March 31, 2021

	(₹ In lakh)	
	Amount	Amount
<b>As at 31.03.2020</b>		-
Expenditure made during the year		
(i) Interest and other processing fees	-	
(ii) Employee benefit expenses	-	
(iii) Depreciation & amortisation	-	
(iv) Misc. Expenses	7.18	7.18
Capitalised during the year		-
<b>As at 31.03.2021</b>		7.18

### 5 Non-current investments

	(₹ In lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Other investments</b>		
<b>Fair value through other comprehensive income</b>		
<b>a) Investment in equity shares (Unquoted)</b>		
8,500 (previous year - 8,500) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Informatics Limited'	12.24	11.86
9,600 (previous year - 9,600) equity shares of ₹ 10 each fully paid up in 'Faridpur Sugars Limited'	1.02	1.06
<b>b) At cost</b>		
<b>Investments in preference shares (Unquoted)</b>		
20,000 (previous year - 20,000) 10% non-cumulative redeemable preference shares of ₹ 100 each fully paid up in 'Dwarikesh Informatics Limited' redeemable on January 02, 2022.	-	20.00
<b>Total non-current investments</b>	<b>13.26</b>	<b>32.92</b>
Aggregate amount of unquoted investments	13.26	32.92
Aggregate provision for impairment in the value of investments	-	-

### 6 Non-current loans

	(₹ In lakh)	
Unsecured, considered good:		
Security deposits	50.45	46.88
<b>Total non current loans</b>	<b>50.45</b>	<b>46.88</b>

### 7 Other non-current financial assets

	(₹ In lakh)	
Unsecured, considered good:		
i) Fixed deposit (Including interest accrued ₹ 5.34 lakh (previous year ₹ 3.03 lakh)*	75.67	44.21
ii) Others:		
Considered good	1.00	1.00
Doubtful	-	63.90
Provision for doubtful advances	-	(63.90)
<b>Total other non-current financial assets</b>	<b>76.67</b>	<b>45.21</b>

\* Held as margin money with government departments and others.

## Notes to Financial Statements as at March 31, 2021

### 8. Net deferred tax asset /(liabilities)

(₹ In lakh)

	Year ended March 31, 2021				Year ended March 31, 2020			
	As at April 01, 2020	Recognised in Profit & Loss	Recognised in OCI	As at March 31, 2021	As at April 01, 2019	Recognised in Profit & Loss	Recognised in OCI	As at March 31, 2020
<b>Deferred tax assets</b>								
Disallowances under section 43B								
i) Bonus	25.19	(2.96)	-	22.23	64.19	(39.00)	-	25.19
ii) Gratuity	621.74	64.37	5.92	692.03	540.20	51.94	29.60	621.74
iii) Leave encashment	144.43	58.33	-	202.76	172.69	(28.26)	-	144.43
iv) Interest subvention	22.33	(22.33)	-	-	22.33	-	-	22.33
Indexation of land (note 1)	1,886.33	86.23	-	1,972.56	1,821.65	64.68	-	1,886.33
MAT credit entitlement	8,444.81	(116.47)	-	8,328.34	7,650.13	794.68	-	8,444.81
<b>Total deferred tax assets</b>	<b>11,144.83</b>	<b>67.17</b>	<b>5.92</b>	<b>11,217.92</b>	<b>10,271.19</b>	<b>844.04</b>	<b>29.60</b>	<b>11,144.83</b>
<b>Deferred tax liabilities</b>								
Change in WDV of property, plant and equipment	5,456.87	782.49	-	6,239.36	6,060.26	(603.37)	-	5,456.87
Cash flow hedge reserve	(202.62)	-	202.62	-	195.07	-	(397.69)	(202.62)
Fair value of investment (note 2)	1.16	-	0.04	1.20	1.04	-	0.12	1.16
<b>Total deferred tax liabilities</b>	<b>5,255.41</b>	<b>782.49</b>	<b>202.66</b>	<b>6,240.56</b>	<b>6,256.37</b>	<b>(603.37)</b>	<b>(397.57)</b>	<b>5,255.41</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>5,889.42</b>	<b>(715.32)</b>	<b>(196.74)</b>	<b>4,977.36</b>	<b>4,014.82</b>	<b>1,447.41</b>	<b>427.17</b>	<b>5,889.42</b>

Note: 1) Deferred tax calculated on land @ 23.296%

2) Deferred tax on investment fair value is calculated @10.40%

### 9 Income tax assets (net)

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
Prepaid Taxes	10,417.56	10,689.23
Provision for taxes	(10,391.50)	(9,088.42)
<b>Net income tax assets</b>	<b>26.06</b>	<b>1,600.81</b>

## Notes to Financial Statements as at March 31, 2021

### 10 Other non-current assets

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
a) Capital advances	4.92	-
b) Advances other than capital advances:		
Prepaid expenses	22.65	23.16
Advance Lease Rent	1.10	2.48
Balances deposit with government authorities under protest	30.19	32.03
Others	127.91	127.91
<b>Total other non-current asset</b>	<b>186.77</b>	<b>185.58</b>

### 11 Inventories

(₹ In lakh)

(As taken, valued and certified by the Management)		
Valued at or below cost: (Refer note. G of note no. 2)		
a) Raw materials	60.10	23.52
b) Work-in-progress (Refer note c of note no. 46)	592.67	712.87
c) Finished goods (Refer note c of note no. 46)	81,498.72	87,822.19
d) Stores and spares	3,127.58	2,489.73
e) Chemicals	108.91	93.72
f) Packing material	142.65	107.55
<b>Total inventories</b>	<b>85,530.63</b>	<b>91,249.58</b>

Note: First pari-passu charge by way of pledge of stock of sugar and by way of hypothecation of stock of molasses, industrial alcohol, chemicals, stores & spares

### 12 Current investments

(₹ In lakh)

At cost		
<b>Investments in preference shares (Unquoted)</b>		
20,000 (previous year - 20,000) 10% non-cumulative redeemable preference shares of ₹ 100 each fully paid up in 'Dwarikesh Informatics Limited' redeemable on January 02, 2022.	20.00	-
	<b>20.00</b>	<b>-</b>

### 13 Trade receivables

(₹ In lakh)

unsecured, considered good:	6,786.63	9,800.49
Includes unbilled revenue of ₹ 834.81 lakh (previous year ₹ 798.77 lakh)		
Less: Impairment allowance	-	-
<b>Total trade receivable</b>	<b>6,786.63</b>	<b>9,800.49</b>

## Notes to Financial Statements as at March 31, 2021

### 14 Cash and cash equivalents

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
Balance with banks	6.03	172.32
Cash on hand	8.79	19.68
<b>Total cash and cash equivalents</b>	<b>14.82</b>	<b>192.00</b>

### 15 Bank balances other than cash and cash equivalents

(₹ In lakh)

i) Fixed deposit account (Including interest accrued ₹ 0.01 lakh (previous year ₹ 0.91 lakh)*)	0.20	47.52
ii) Earmarked balance for unpaid dividend	22.79	24.35
iii) Earmarked balance in current account (as per Uttar Pradesh State Molasses Control Rules, 1974)	79.81	44.24
<b>Total bank balances other than cash and cash equivalents</b>	<b>102.80</b>	<b>116.11</b>

\* Held as margin money with government departments and others.

### 16 Current - loans

(₹ In lakh)

unsecured, considered good:		
Advances other than capital advances:		
Advance Lease Rent	2.85	2.41
Other loans (incl. advances to employees)	11.82	10.44
<b>Total current loans</b>	<b>14.67</b>	<b>12.85</b>

### 17 Other financial assets

(₹ In lakh)

unsecured, considered good:		
Income receivable and others		
Rent receivable	3.38	2.52
Interests subvention receivable from SDF	97.29	762.02
<b>Total other financial assets</b>	<b>100.67</b>	<b>764.54</b>

### 18 Other current assets

(₹ In lakh)

Advances other than capital advances:		
Prepaid expenses	321.52	316.89
Balance with government authorities	14.06	262.19
Advances given to suppliers	63.16	65.96
Claim receivable from Government	5,198.93	7,130.36
<b>Total other current asset</b>	<b>5,597.67</b>	<b>7,775.40</b>

## Notes to Financial Statements as at March 31, 2021

### 19 Equity share capital

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
22,50,00,000 (previous year- 22,50,00,000) equity shares of ₹ 1 each	2,250.00	2,250.00
Issued, Subscribed and Fully paid up:		
18,83,01,470 (previous year - 18,83,01,470) equity shares of ₹ 1 each paid up	1,883.01	1,883.01
<b>Total share capital</b>	<b>1,883.01</b>	<b>1,883.01</b>

Total authorised share capital of company with Registrar of Companies is ₹ 5,400 lakh. Out of which ₹ 3,150 lakh is related to preference share. Issued, subscribed and fully paid up preference share capital amounted to ₹ Nil (previous year ₹ 1,500 lakh) of series II has been classified as financial liability. (Refer note no 27)

#### A. Reconciliation of shares outstanding at the beginning and at the end of the reporting year is set out below:

(₹ In lakh)

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
<b>Equity shares:-</b>				
At the beginning of the year	22,50,00,000	2,250.00	22,50,00,000	2,250.00
Change during the year	-	-	-	-
Outstanding at the end of the year	22,50,00,000	2,250.00	22,50,00,000	2,250.00
<b>Issued, Subscribed and Fully paid up:</b>				
<b>Equity shares:-</b>				
At the beginning of the year face value ₹ 1 (previous year ₹ 1)	18,83,01,470	1,883.01	18,83,01,470	1,883.01
Change during the year	-	-	-	-
Outstanding at the end of the year face value ₹ 1	18,83,01,470	1,883.01	18,83,01,470	1,883.01

#### B. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares:-				
Dwarikesh Trading Company Limited	2,62,48,890	13.94%	2,62,48,890	13.94%
Morarka Finance Limited	2,15,91,180	11.47%	2,15,91,180	11.47%
G. R. Morarka	2,85,66,590	15.17%	2,85,66,590	15.17%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### C. Rights & restrictions attached to equity shares:

The Company has one class of equity shares having a face value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

#### 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

## Notes to Financial Statements as at March 31, 2021

### 20 Other equity

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
<b>a) Capital reserve</b>		
Opening balance	59.87	59.87
Changes during the year	-	-
Closing balance	59.87	59.87
<b>b) Securities premium</b>		
Opening balance	14,688.11	14,688.11
Changes during the year	-	-
Closing balance	14,688.11	14,688.11
<b>c) Surplus in statement of profit and loss</b>		
Opening balance	29,750.46	26,945.20
Add: profit during the year	9,153.83	7,345.41
Less: appropriations		
Transfer to capital redemption reserve	1,500.00	-
Dividend *	-	4,540.15
Closing balance of surplus in statement of profit and loss	37,404.29	29,750.46
<b>d) Other reserves</b>		
<b>(i) Capital redemption reserve</b>		
Opening balance	2,362.00	2,362.00
Changes during the year	1,500.00	-
Closing balance	3,862.00	2,362.00
<b>(ii) General reserve</b>	-	
Opening balance	127.57	127.57
Changes during the year	-	-
Closing balance	127.57	127.57
<b>e) Other Comprehensive Income/(loss)</b>		
<b>(i) Cash flow hedging reserves</b>		
Opening balance	(377.23)	363.16
Changes during the year	377.23	(740.39)
Closing balance	-	(377.23)
<b>(ii) Other items of other comprehensive income/(loss)</b>		
Opening balance	(123.02)	(68.94)
Changes during the year	(10.72)	(54.08)
Closing balance	(133.74)	(123.02)
<b>Total other equity</b>	<b>56,008.10</b>	<b>46,487.76</b>

\* Dividend during FY 2020-21 amounting to ₹ Nil (previous year dividend includes interim dividend ₹ 2,270.07 Including dividend distribution tax of ₹ 387.06 lakh and final dividend for FY 2018-19 @ ₹ 1 per share amounting to ₹ 2,270.07 lakh Including dividend distribution tax of ₹ 387.06 lakh)

The Board of directors of the Company has recommended dividend of 125 % (₹ 1.25 per equity share) at its meeting held on May 12, 2021. Dividend recommended by the Company is based on the profit available for distribution. The proposed dividend, subject to approval at the Annual General Meeting, will result in a cash outflow of ₹ 2,353.77 lakh approximately.



## Notes to Financial Statements as at March 31, 2021

### 21 Long-term borrowings (Note. 45)

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Term loans		
From banks	14,817.60	19,844.80
Less : Ind AS adjustment	(142.49)	(520.03)
From banks	14,675.11	19,324.77
<b>Total long term borrowings</b>	<b>14,675.11</b>	<b>19,324.77</b>

### 22 Other financial liabilities

(₹ In lakh)

Lease Liabilities	109.60	143.25
<b>Total other financial liabilities</b>	<b>109.60</b>	<b>143.25</b>

### 23 Provisions (non-current)

(₹ In lakh)

Provision for employee benefits		
Gratuity	1,798.49	1,628.95
Leave encashment	383.43	269.79
<b>Total provisions (non-current)</b>	<b>2,181.92</b>	<b>1,898.74</b>

### 24 Other non-current liabilities

(₹ In lakh)

Government grant	113.28	481.58
<b>Total other non-current liabilities</b>	<b>113.28</b>	<b>481.58</b>

### 25 Short term borrowings (note 45)

(₹ In lakh)

<b>Secured</b>		
<b>Loan payable on demand:</b>		
From banks (cash credit)	41,002.35	46,116.64
<b>Total Short Term Borrowings</b>	<b>41,002.35</b>	<b>46,116.64</b>

### 26 Trade payables

(₹ In lakh)

a) Micro and small enterprises* (note 48)	148.80	95.35
b) Others	18,569.49	20,716.49
<b>Total trade payables</b>	<b>18,718.29</b>	<b>20,811.84</b>

\* There are no outstanding amounts payable beyond the agreed period to Micro and Small 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.

## Notes to Financial Statements as at March 31, 2021

### 27 Other current financial liabilities

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
<b>a) Current maturities of long term debts (Note 45)</b>		
From banks	5,027.20	17,372.00
Less: Ind AS adjustment	(275.26)	(343.23)
Term loans	4,751.94	17,028.77
Government grant	266.02	333.99
Liability component of compound financial instruments	-	1,500.00
<b>Total current maturities of long term debts</b>	<b>5,017.96</b>	<b>18,862.76</b>
<b>b) Interest accrued</b>		
Interest accrued but not due on borrowings	108.86	256.25
Interest accrued but not due on liability component of compound financial instruments	-	120.00
<b>Total interest accrued</b>	<b>108.86</b>	<b>376.25</b>
<b>c) Unpaid dividend*</b>	22.79	24.35
<b>d) Other payables</b>		
Salary & wages payable	618.19	603.54
Remuneration-due to directors	391.98	142.90
Capital creditors payable	35.43	174.35
Security/Retention money payable	1,709.78	867.64
Others	360.70	324.55
{Including amount payable to related parties of ₹ Nil (previous year- ₹ 7.28 lakh)}		
<b>e) Lease Liabilities</b>	142.07	183.18
<b>f) Derivative financial liabilities</b>	-	665.36
<b>Total others</b>	<b>3,280.94</b>	<b>2,985.87</b>
<b>Total other current financial liabilities</b>	<b>8,407.76</b>	<b>22,224.88</b>

\* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

### 28 Other current liabilities

(₹ In lakh)

a) Advance from customer and others	120.05	788.26
{Including amount payable to related parties of ₹ 0.40 lakh (previous year ₹ 0.40 lakh)}		
b) Security deposit	0.35	0.27
c) Other payables		
Statutory dues payable	276.57	247.12
(Including TDS, PF and GST)		
<b>Total other current liabilities</b>	<b>396.97</b>	<b>1,035.65</b>

## Notes to Financial Statements as at March 31, 2021

### 29 Short term provisions

(₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity	181.90	150.29
Leave encashment	196.83	143.55
<b>Total short term provisions</b>	<b>378.73</b>	<b>293.84</b>

### 30 Income tax liabilities (net)

(₹ In lakh)

Other provisions		
Provision for taxes	2,185.63	1,304.54
Prepaid taxes	(1,516.81)	(1,070.70)
<b>Net income tax Liabilities</b>	<b>668.82</b>	<b>233.84</b>

## Notes to Financial Statements for the year ended March 31, 2021

### 31 Revenue from operations

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
(Refer note c of note no. 46 & 57)		
a) Sale of products	1,70,653.32	1,27,315.61
b) Other operating revenues	13,231.33	6,297.37
<b>Total revenue from operations</b>	<b>1,83,884.65</b>	<b>1,33,612.98</b>

### 32 Other income

(₹ In lakh)

a) Interest income		
on deposits with banks	5.86	16.70
on income tax refunds	157.62	-
on non-current deposit with bank	-	-
on financial assets carried at amortised cost	319.34	407.11
b) Gain on foreign exchange fluctuations (net)	-	2.07
c) Rent (including lease rent)	1.01	2.18
d) Other non operating income	225.76	111.94
<b>Total other income</b>	<b>709.59</b>	<b>540.00</b>

### 33 Cost of materials consumed

(₹ In lakh)

a) Raw material consumed		
Sugar cane		
Opening stock	23.52	75.81
Add: purchases	1,33,772.31	1,09,587.99
Less: closing stock	60.10	23.52
	<b>1,33,735.73</b>	<b>1,09,640.28</b>
b) Other materials consumed		
i) Chemicals		
Opening stock	93.72	73.16
Add: purchases	1,415.96	815.98
Less: closing stock	108.91	93.72
	<b>1,400.77</b>	<b>795.42</b>
ii) Packing Material consumed		
Opening stock	107.55	75.32
Add: purchases	1,561.32	1,169.78
Less: closing stock	142.65	107.55
	<b>1,526.22</b>	<b>1,137.55</b>
<b>Total cost of materials consumed</b>	<b>1,36,662.72</b>	<b>1,11,573.25</b>

## Notes to Financial Statements for the year ended March 31, 2021

### 34 (Increase)/decrease in stocks

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
(Refer note c of note no. 46)		
Closing stock		
Finished goods	81,498.72	87,822.19
Work in progress	592.67	712.87
	<b>82,091.39</b>	<b>88,535.06</b>
Opening stock		
Finished goods	87,822.19	79,115.49
Work in progress	712.87	772.85
	<b>88,535.06</b>	<b>79,888.34</b>
<b>Net (increase)/decrease in stock</b>	6,443.67	(8,646.71)
<b>Total (increase)/decrease in stocks</b>	<b>6,443.67</b>	<b>(8,646.71)</b>

### 35 Employee benefit expenses

(₹ In lakh)

a) Salary, wages, bonus and other payments	8,573.92	7,236.25
b) Contribution to provident and other funds	543.03	501.96
c) Staff welfare expenses	157.72	140.24
<b>Total employee benefit expenses</b>	<b>9,274.67</b>	<b>7,878.45</b>

### 36 Finance costs

(₹ In lakh)

a) Interest expense		
i) Interest on fixed loans :		
Term loans*	1,206.04	1,064.06
Others	-	-
	1,206.04	1,064.06
ii) Interest on cash credit and others (Net of ₹ 403.61 lakh towards interest reimbursed/ to be reimbursed on buffer stock by the Central Government, previous year ₹ 1,012.92 lakh)	2,833.09	1,393.89
iii) Interest on delayed payment of direct taxes	73.11	38.82
iv) Unwinding of discount (Increase in financial liabilities)	325.91	408.94
v) Financial Interest on lease liability	25.67	34.88
vi) Net interest on defined benefit liability	119.29	110.30
b) Dividend on redeemable preference share (including dividend distribution tax)	41.75	120.00
c) Other borrowing costs**	140.52	131.88
<b>Total finance costs</b>	<b>4,765.38</b>	<b>3,302.77</b>

\* Interest expenses are net off interest capitalized of ₹ Nil (previous year ₹ 248.04 lakh)

\*\* Mainly consist of loan processing facilities from banks.

## Notes to Financial Statements for the year ended March 31, 2021

### 37 Depreciation and amortisation expenses

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
a) Depreciation		
Depreciation of tangible assets	3,929.62	3,422.49
Obsolescence	4.15	95.91
	3,933.77	3,518.40
b) Amortization		
Amortization of intangible assets	-	9.53
Amortization on Right to Use Assets	155.63	158.63
	155.63	168.16
<b>Total depreciation and amortization expenses</b>	<b>4,089.40</b>	<b>3,686.56</b>

### 38 Other expenses

(₹ In lakh)

Power & Fuel	27.23	125.11
(Net of ₹ 68.47 lakh power banked previous year ₹ 68.19 lakh)		
Other manufacturing expenses	1,699.24	1,127.86
Repairs to buildings	369.46	214.86
Repairs to machinery	3,061.25	2,778.87
Repairs & maintenance - others	141.55	107.28
Insurance	220.92	142.22
Rates and taxes	64.30	55.95
Travelling & conveyance	133.71	197.55
Sugar sales promotion expenses	350.82	315.95
Freight and forwarding (net of recovery from customers/Govt. assistance) (note no 57)	3,879.94	2,711.04
Donations & charity*	181.97	150.84
Loss on foreign exchange fluctuations (net)	62.61	-
Loss on sale of property, plant and equipment (net)	10.08	7.52
Payment to the auditors [note 46 (a)]	25.79	26.24
Export Facilitation Charges	-	127.39
CSR expenses [note 46 (b)]	73.20	172.33
Miscellaneous expenses (Net of ₹ 68.86 lakh towards insurance & storage expense reimbursed/ to be reimbursed on buffer stock by the Central Government, previous year ₹ 173.64 lakh)	1,076.12	940.25
<b>Total other expenses</b>	<b>11,378.19</b>	<b>9,201.26</b>

\* Includes CSR expenses of ₹ 136 lakh ( previous year ₹ 150 lakh)

### 39 Tax expenses

(₹ In lakh)

Current year	2,112.52	1,265.72
<b>Total tax expenses</b>	<b>2,112.52</b>	<b>1,265.72</b>



## Notes to Financial Statements for the year ended March 31, 2021

### 40 Other comprehensive income/(loss)

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Item that will not be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	(16.94)	(84.72)
Fair valuation of non current investment	0.34	1.15
Income tax relating to items that will not be reclassified to profit or loss	5.88	29.48
<b>Item that will be reclassified to profit or loss</b>		
Cash Flow hedging Reserve	579.85	(1,138.08)
Income tax relating to items that will be reclassified to profit or loss	(202.62)	397.69
<b>Total other comprehensive income/(loss)</b>	<b>366.51</b>	<b>(794.48)</b>

### 41 CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lakh)

<b>i) Contingent Liabilities: *</b>		
a) Claim against the company not acknowledged as debts. In respect of show cause notices from Central Excise department in various cases against which the company has preferred appeals [net of amount reversed and payments of ₹ 37.72 lakh (previous period ₹ 53.49 lakh)].	38.62	38.93
In respect of Trade Tax and Entry Tax demand received from Uttar Pradesh Trade Tax authorities in various cases, in respect of which the company has preferred appeals [net of amount deposited under appeal of ₹ 0.23 lakh (previous period ₹ Nil)].	0.23	-
b) Guarantees issued by bankers on behalf of the Company	334.21	600.25
c) Other money for which the company may contingently liable	15.74	15.74
<b>ii) Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance of ₹ 12.38 lakh (previous year ₹ Nil)	17.30	357.42
b) Balance of Investment committed	-	-
c) Other commitments	-	-

\* In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

42 Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). Thereafter in an CAPL (contempt application) No. 2815/2018 titled 'V.M. Singh versus Shri Sanjay Bhoosereddy' in the Hon'ble Allahabad High Court and its follow-on proceedings, the Cane Commissioner is understood to have filed an affidavit specifying interest rates on delayed cane price payments but no such order of the Cane Commissioner has been served on the Company or industry association. Based on the legal review of the facts of this case, possibility of liability crystalizing is remote and hence no provision is considered necessary.

## Notes to Financial Statements for the year ended March 31, 2021

**43** Cane societies were in dispute with the State Government of Uttar Pradesh with regard to retrospective partial waiver of society commission payable by the sugar mills for the crushing seasons 2012-13, 2014-15 and 2015-16 as a part of its relief package to sugar industry. Hon'ble Allahabad High Court held that concessional rate of society commission fixed by the U.P. Government cannot have retrospective operations and shall be applicable prospectively from the date of the notification. Against the said judgment, the U.P. Sugar Mill Association filed SLP (C) No 032225-032227/2018. Hon'ble Supreme Court, vide order dated 03.12.2018, issued notice and directed that no coercive steps shall be taken against the petitioners. The matter is pending for further adjudication. Based on the legal advice no liability is likely to crystalize on the Company on this matter.

### 44 Leases

#### Operating lease - Company as lessee

Obligation on long – term, non – cancellable operating leases:

The lease rentals charged during the period and the obligation on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

	( ₹ In lakh )	
	Year ended March 31, 2021	Year ended March 31, 2020
Lease rentals recognized during the year	179.49	180.72
The future minimum non-cancellable operating lease payable are as follows:		
Not later than one year	158.16	160.48
Later than one year and not later than five years	116.17	161.98
Later than five years	-	-

General description of lease terms:

- The operating lease arrangement are renewable on a periodic basis and for most of the leases extend up to a maximum of 6 years from their respective dates of inception and rented premises.
- These lease agreements have price escalation clause of 15% after three years from the inception of the lease agreement.

### 45 Securities for Borrowings

#### Abbreviations:

DN - Dwarikesh Nagar Unit	PNB- Punjab National Bank
DP- Dwarikesh Puram Unit	O/S- Amount outstanding
DD - Dwarikesh Dham Unit	Qtly.- Quarterly
ROI- Rate of interest	

Bank/FI, amount sanctioned and outstanding as on reporting Date	Current ( ₹ in lakh)	Non-Current ( ₹ in lakh)	Security	Repayment Schedule of amount outstanding and ROI on the reporting date
<b>i) Long Term Borrowings - Secured</b>				
PNB Sanctioned - ₹ 13,448 lakh <b>O/S - ₹ 8,741.20 lakh</b> ( ₹ 11,430.80 lakh)	2,689.60 (2,689.60)	6,051.60 (8,741.20)	Pari-passu charge on fixed assets: 1st on DN,DP & DD	ROI - 5%  - 39 monthly installments of ₹ 224.13 lakh each payable in April, 21 and onwards.

## Notes to Financial Statements for the year ended March 31, 2021

PNB Sanctioned - ₹ 11,688 lakh <b>O/S - ₹ 11,103.60</b> lakh (₹ 11,688 lakh)	2,337.60 (584.40)	8,766.00 (11,103.60)	Pari-passu charge on fixed assets: 1st on DN	ROI - 7.95% - 19 qtlly installments of ₹ 584.40 lakh each payable from June, 21 and onwards.
PNB Sanctioned - ₹ 14,098 lakh <b>O/S - Nil</b> (₹ 14,098 lakh)	Fully Repaid	Fully Repaid		
<b>Total term loans from Banks</b> <b>O/S - ₹ 19,844.80</b> lakh (₹ 37,216.80 lakh)	<b>5,027.20</b> (17,372.00)	<b>14,817.60</b> (19,844.80)		
<b>Unsecured</b> Liability component of compound financial instruments (preference share): <b>O/S - ₹ Nil</b> (₹ 1,500 lakh)	Fully Repaid	Fully Repaid		
<b>Total long term borrowings</b> <b>O/S - ₹ 19,844.80</b> lakh (₹ 38,716.80 lakh)	<b>5,027.20</b> (18,872.00)	<b>14,817.60</b> (19,844.80)		

### ii) Short Term Borrowings:

#### a. Cash Credit

PNB Sanctioned - ₹ 78,500 lakh	41,002.35 (46,116.64)	-	- 1st pari-passu charge by way of pledge of stock of sugar and by way of hypothecation of stock of molasses, industrial alcohol, chemicals, stores & spares.'- 2nd Pari-passu charge on fixed assets of all three units of the Company	-ROI- 7.95% per annum
<b>Total short term borrowings</b>	<b>41,002.35</b> (46,116.64)	-	-	

Term Loans and cash credit from banks aggregating to ₹ 52,105.95 lakh (previous year - ₹ 71,902.64 lakh) are personally guaranteed by the Executive Chairman of the company out of which the company has given Counter guarantees of ₹ 52,105.95 lakh (previous year - ₹ 46,116.64 lakh) to him to secure all these personal guarantees.

Note: Figures in the brackets are for the previous year.

## 46 Other disclosures :

### a) Auditors remuneration

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
Statutory auditors		
i) Audit fee (including limited review fee)	21.25	21.25
ii) Tax audit fee	2.75	2.75
iii) Certification/other services	1.78	1.90
iv) Out of pocket Expenses	0.01	0.34
<b>Total</b>	<b>25.79</b>	<b>26.24</b>

## Notes to Financial Statements for the year ended March 31, 2021

### b) 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:

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
1. Gross amount required to be spent by the company during the year	203.20	292.99
	203.20	292.99
2. Amount spent during the year		
Construction/Acquisition of assets	43.32	145.00
Others	165.88	177.33
	<b>209.20</b>	<b>322.33</b>

Note: ₹ 93.32 lakh (previous year ₹ 245 lakh) on construction of assets and other activities is made through R R Morarka Charitable Trust and ₹ 25 lakh (previous year ₹ 50 lakh) on other activities is made through Manotsav Foundation.

### c) Particulars of revenue from operations & inventory

#### Revenue from operations:

(₹ In lakh)

i) Sugar	1,45,623.76	1,15,103.91
ii) Molasses	1,987.58	891.55
iii) Power	5,221.25	4,808.02
iv) Industrial alcohol		
-Spirit	321.00	-
-Ethanol	15,599.82	5,599.99
v) Miscellaneous/other residual sale	1,899.91	912.14
vi) Other operating revenue	13,231.33	6,297.37
<b>Total revenue from operations</b>	<b>1,83,884.65</b>	<b>1,33,612.98</b>

#### Inventory:

##### Finished goods

##### Opening stock

(₹ In lakh)

i) Sugar	85,682.05	78,680.19
ii) Molasses	1,679.94	407.11
iii) Industrial alcohol		
-Spirit	-	14.72
-Ethanol	460.20	13.47
<b>Total</b>	<b>87,822.19</b>	<b>79,115.49</b>

##### Closing stock

(₹ In lakh)

i) Sugar	77,156.02	85,682.05
ii) Molasses	4,147.41	1,679.94
iii) Industrial alcohol		
-Spirit	2.58	-
-Ethanol	187.09	460.20
-sanitizer	5.62	-
<b>Total</b>	<b>81,498.72</b>	<b>87,822.19</b>

## Notes to Financial Statements for the year ended March 31, 2021

### Work in progress Opening stock

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
i) Sugar	614.89	736.56
ii) Molasses	47.86	36.29
iii) Industrial alcohol	50.12	-
<b>Total</b>	<b>712.87</b>	<b>772.85</b>

### Closing stock

(₹ In lakh)

i) Sugar	448.04	614.89
ii) Molasses	104.31	47.86
iii) Industrial alcohol	40.32	50.12
<b>Total</b>	<b>592.67</b>	<b>712.87</b>

### Raw materials, chemicals and packing material consumed

(₹ In lakh)

Sugar cane	1,33,735.73	1,09,640.28
Chemicals	1,400.77	795.42
Packing material	1,526.22	1,137.55
<b>Total</b>	<b>1,36,662.72</b>	<b>1,11,573.25</b>
Indigenous (100%)	1,36,662.72	1,11,573.25
Imported (0%)	-	-
<b>Total</b>	<b>1,36,662.72</b>	<b>1,11,573.25</b>
CIF value of imports	Nil	Nil

### d) Transactions in foreign currency

(₹ In lakh)

i. Expenditure in foreign currency (on accrual basis)		
Bank Charges on foreign remittances	0.71	0.07
Computer software purchase	0.37	0.03
Legal Fees	-	2.05
<b>Total</b>	<b>1.08</b>	<b>2.15</b>
ii. Earnings in foreign currency		
FOB value of export sales	11,080.40	13,397.83
Other Income	37.05	8.37
<b>Total</b>	<b>11,117.45</b>	<b>13,406.20</b>

### 47 Earning per share:

(₹ In lakh)

Net Profit for the year from continuing operations	9,153.83	7,345.41
Profit attributable to equity share holders	9,153.83	7,345.41
Equity shares outstanding during the year (weighted average in numbers)	18,83,01,470	18,83,01,470
Face value of equity shares (₹)	1	1
Earning per share (₹)		
Basic	4.86	3.90
Diluted	4.86	3.90

## Notes to Financial Statements for the year ended March 31, 2021

### 48 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information so far obtained by the company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days or contract terms whichever is lower and disclosure in accordance with section 22 of the MSMED Act is as under:

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
a) Principal amount and Interest due thereon remaining unpaid to any supplier at the end of accounting year.	148.80	95.35
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 the accounting year.	-	-
c) The amount of interest due and payable for the year 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.	-	-
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.	-	-



## Notes to Financial Statements for the year ended March 31, 2021

### 49 Segment information for the year ended March 31, 2021 prepared under Ind AS 108

#### (i) Information about primary business segment

(₹ In lakh)

	Sugar	Co-generation	Distillery	Adjustment	Total
<b>Revenue</b>					
<b>External revenue</b>	<b>1,62,583.59</b>	<b>5,233.92</b>	<b>16,067.14</b>		<b>1,83,884.65</b>
	(1,23,204.40)	(4,808.02)	(5,600.56)		(1,33,612.98)
<b>Internal revenue</b>	<b>24,808.04</b>	<b>25,846.58</b>	<b>-</b>	<b>(50,654.62)</b>	<b>-</b>
	(17,529.09)	(20,612.51)	-	(38,141.60)	-
<b>Total income from operations</b>	<b>1,87,391.63</b>	<b>31,080.50</b>	<b>16,067.14</b>	<b>(50,654.62)</b>	<b>1,83,884.65</b>
	(1,40,733.49)	(25,420.53)	(5,600.56)	(38,141.60)	(1,33,612.98)
<b>Results</b>					
<b>Segment results</b>	<b>2,612.01</b>	<b>8,847.55</b>	<b>5,286.03</b>		<b>16,745.59</b>
	(1,815.32)	(6,484.64)	(2,160.21)		(10,460.17)
Less: unallocated expenditure (net of income)					
<b>Interest</b>					<b>4,765.38</b>
					(3,302.77)
<b>Profit/(loss) before exceptional item and tax</b>					<b>11,980.21</b>
					(7,157.40)
<b>Exceptional item</b>					<b>-</b>
<b>Profit/(loss) before tax</b>					<b>11,980.21</b>
					(7,157.40)
<b>Tax expense</b>					<b>2,826.38</b>
					(-188.01)
<b>Net Profit/(loss) for the period after tax</b>					<b>9,153.83</b>
					(7,345.41)
<b>Other information</b>					
<b>Segment assets</b>	<b>1,08,130.46</b>	<b>16,027.31</b>	<b>15,369.49</b>		<b>1,39,527.26</b>
	(1,22,690.81)	(19,321.36)	(11,400.48)		(1,53,412.65)
<b>Unallocable corporate assets</b>					<b>5,016.68</b>
					(7,523.15)
<b>Total assets</b>					<b>1,44,543.94</b>
					(1,60,935.80)
<b>Segment liabilities</b>	<b>74,346.68</b>	<b>4,537.47</b>	<b>6,707.88</b>		<b>85,592.03</b>
	(99,655.56)	(4,784.76)	(7,747.97)		(1,12,188.29)
<b>Unallocable corporate liabilities</b>					<b>1,060.80</b>
					(376.74)
<b>Total liabilities</b>					<b>86,652.83</b>
					(1,12,565.03)
<b>Capital expenditure</b>	<b>707.96</b>	<b>50.77</b>	<b>1,243.74</b>		<b>2,002.47</b>
	(658.18)	(5,807.25)	(7,889.68)		(14,355.11)
<b>Depreciation/obsolescence</b>	<b>1,979.08</b>	<b>1,571.49</b>	<b>538.83</b>		<b>4,089.40</b>
	(2,258.38)	(1,290.27)	(137.91)		(3,686.56)

Revenue in respect of captive power produced from co generation plant has been arrived at based on the rates at which the same is being supplied to State Electricity Board.

## Notes to Financial Statements for the year ended March 31, 2021

### (ii) 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 lakh)

Particulars	March 31, 2021	March 31, 2020
Revenue from operation		
Domestic	1,44,740.30	1,12,452.61
Overseas (including merchant export of ₹ 28,445.53 lakh (previous year ₹ 7,138.42))	39,144.35	21,160.37
<b>Total</b>	<b>1,83,884.65</b>	<b>1,33,612.98</b>

Note: There are no non-current assets located outside India.

### (iii) Significant clients

(₹ In lakh)

	March 31, 2021	March 31, 2020
Louis Dreyfus Company India Pvt. Ltd.	25,696.47	-
<b>Total</b>	<b>25,696.47</b>	<b>-</b>

## 50 Employee benefits:

- (a) The company has made provision for gratuity and leave encashment in the nature of defined benefit obligation on the basis of actuarial valuation as per Ind AS 19. Since the liability has not been funded through a trust or insurer, there are no plan assets.

### (b) Defined contribution plans:

Employer's contribution to provident fund ₹ 543.03 lakh (previous period ₹ 501.96 lakh).

### Defined benefits obligations:

Liability for gratuity is determined on actuarial basis using projected unit credit method. The details are as under:

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	1,779.23	1,545.88
Current service cost	148.06	122.05
Interest cost	119.29	110.30
Actuarial loss/ (gain)	16.94	84.72
Past service cost	-	-
Benefit paid	(83.13)	(83.72)
Closing defined benefit obligation	1,980.39	1,779.23
<b>Change in fair value of assets :</b>		
Contribution by employer	83.13	83.72
Benefit paid	(83.13)	(83.72)
Change in fair value of plan assets	-	-
<b>Expense recognized in Statement of Profit &amp; Loss</b>		
Current service cost	148.06	122.05
Interest cost	119.29	110.30
Net actuarial losses / ( gain)	16.94	84.72

## Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
Past service cost	-	-
Expense recognized in Statement of Profit & Loss	284.29	317.07
<b>Financial Assumptions at the valuation date</b>		
Discount rate	6.85%	7.00%
Expected rate of return on assets (p.a.)	---	---
Salary escalation	6.00%	6.00%

### (c) Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Year ended March 31, 2021		Year ended March 31, 2020	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-4.14%	4.30%	-4.28%	4.61%
Impact of decrease in 50 bps on DBO	4.43%	-4.08%	4.59%	-4.34%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

### Special events:

There are no special events such as benefit improvements or curtailments or settlements during the inter-valuation period.

- (d) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## Notes to Financial Statements for the year ended March 31, 2021

### 51 Related party disclosures as required by Ind AS 24 for the year ended March 31, 2021

#### (a) Names of the related parties and description of relationship:

i) Enterprises over which key management personnel are able to exercise significant influence	-Morarka Finance Limited -Dwarikesh Trading Company Limited -Dwarikesh Agriculture Research Institute -Dwarikesh Informatics Limited -Faridpur Sugars Limited -R R Morarka Charitable Trust -Manotsav Foundation	
ii) Key management personnel	-Shri G.R.Morarka -Shri B.J.Maheshwari  -Shri Vijay S. Banka -Shri Alok Lohia -Shri B. K. Agarwal -Shri K. N. Prithviraj -Smt. Nina Chatrath -Shri Gopal B Hosur -Shri Rajan K Medhekar	Executive Chairman Managing Director & Company Secretary Cum Chief Compliance Officer  Managing Director Chief Financial Officer Independent Director Independent Director Independent Director Independent Director Independent Director
iii) Relatives of Key Managerial Personnel  Shri G.R.Morarka	  -Ms. Priyanka G. Morarka (Daughter)	

#### b) Details of transactions

Sl. No.	Name of related party	Nature of transaction		Volume of transaction (₹ in lakh)	Amount due to (₹ in lakh)	Amount due from (₹ in lakh)	Investment (₹ in lakh)
1	Dwarikesh Trading Company Ltd.	Rent Received	31.03.21 31.03.20	2.40 2.40			
		Rent Paid	31.03.21 31.03.20	80.29 80.29			
		Advance Rent	31.03.21 31.03.20		0.40 0.40		
		Other Reimbursement	31.03.21 31.03.20	5.52 5.52			
2	Dwarikesh Informatics Ltd.	Services Purchased	31.03.21 31.03.20	42.48 40.71	- 7.28		32.24 31.86
3	Faridpur Sugars Limited		31.03.21 31.03.20	- -			1.02 1.06

## Notes to Financial Statements for the year ended March 31, 2021

4	Morarka Finance Limited	Rent Paid	31.03.21 31.03.20	18.29 18.29			
		Management Consultancy Paid	31.03.21 31.03.20	46.02 46.02			
		Other Reimbursement	31.03.21 31.03.20	2.04 2.04			
5	R R Morarka Charitable Trust	Construction/Acquisition of assets	31.03.21 31.03.20	43.32 145.00			
		Donation	31.03.21 31.03.20	50.00 100.00			
6	Manotsav Foundation	Donation	31.03.21 31.03.20	25.00 50.00			
7	Shri G.R.Morarka	Remuneration	31.03.21 31.03.20	271.22 271.22			
		Commission	31.03.21 31.03.20	372.66 123.25			
8	Shri B.J. Maheshwari	Remuneration	31.03.21 31.03.20	114.88 107.23			
		Ex-gratia/Interim Bonus	31.03.21 31.03.20	5.00 10.00			
9	Shri Vijay S. Banka	Remuneration	31.03.21 31.03.20	114.50 106.84			
		Ex-gratia/Interim Bonus	31.03.21 31.03.20	5.00 10.00			
10	Ms. Priyanka G. Morarka	Remuneration	31.03.21 31.03.20	38.92 35.19			
		Ex-gratia/Interim Bonus	31.03.21 31.03.20	1.70 1.98			
		Leave Encashment	31.03.21 31.03.20	0.27 0.55			
11	Shri Alok Lohia	Remuneration	31.03.21 31.03.20	46.49 42.53			
		Ex-gratia/Interim Bonus	31.03.21 31.03.20	1.50 1.78			
		Leave Encashment	31.03.21 31.03.20	1.24 1.17			
12	Shri B K Agarwal	Sitting Fees	31.03.21 31.03.20	3.50 4.60			
13	Shri K N Prithviraj	Sitting Fees	31.03.21 31.03.20	3.50 2.60			
14	Smt Nina Chatrath	Sitting Fees	31.03.21 31.03.20	3.20 3.10			
15	Shri Gopal B Hosur	Sitting Fees	31.03.21 31.03.20	1.40 -			
16	Rajan K Medhekar	Sitting Fees	31.03.21 31.03.20	1.40 -			

Note: (i) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.  
(ii) Above value includes taxes wherever applicable.

## Notes to Financial Statements for the year ended March 31, 2021

### 52 Financial instruments

#### Financial assets (₹ In lakh)

Sl. No	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>1</b>	<b>Financial assets designated at fair value through profit and loss</b>				
	Investment in preference share (non-cumulative redeemable)	20.00	20.00	20.00	20.00
<b>2</b>	<b>Financial assets designated at fair value through other comprehensive income</b>				
	Investment in equity share	1.81	13.26	1.81	12.92
<b>3</b>	<b>Financial assets designated at amortised cost</b>				
	a) Trade receivables	-	-	-	-
	b) Loans				
	Security deposit	51.55	50.45	49.36	46.88
	c) Other non-current financial assets	76.67	76.67	45.21	45.21
		<b>150.03</b>	<b>160.38</b>	<b>116.38</b>	<b>125.01</b>

#### Financial liabilities (₹ In lakh)

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability designated at amortised cost				
Borrowings	19,844.80	19,427.05	38,716.80	37,853.54
	<b>19,844.80</b>	<b>19,427.05</b>	<b>38,716.80</b>	<b>37,853.54</b>

#### The following methods and assumptions were used to estimate the fair values.

- 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.
- Due to short term nature, the carrying amount of current financial assets (excluding investments) and current financial liabilities (excluding current maturities of long term debt) are considered to be the same as of their fair values. Hence, the figures are not shown in the above note.

#### 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).

Valuation of investment has been done on the basis of latest available financials with the Company.



## Notes to Financial Statements for the year ended March 31, 2021

### 53 Financial risk management objectives and policies

#### Financial risk factors

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's assets and operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that are derived directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company is in place. 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. It is the Company's policy that derivatives whenever used are used exclusively for hedging purposes and not for trading or speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed and the same are summarized below:

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. One of the market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

#### A. Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Company's sugar sales are totally on cash. Power and ethanol are sold to state government entities, thereby the credit default risk is significantly mitigated. 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.

(₹ In lakh)

	Upto 1 year	More than 1 year	Total
<b>As at March 31, 2021</b>	12,637.26	327.15	12,964.41
As at March 31, 2020	18,661.39	310.59	18,971.98

#### B. Liquidity risk :

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of term loan, liability component of compound financial instruments (preference share), cash credit facilities, short term loans and others.

(₹ In lakh)

	Payable on demand	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2021</b>				
Borrowings	41,002.35	5,017.96	14,675.11	60,695.42
Other financial Liabilities	-	3,389.80	109.60	3,499.40
Trade and other payables	19,115.26	-	113.28	19,228.54
<b>Total</b>	<b>60,117.61</b>	<b>8,407.76</b>	<b>14,897.99</b>	<b>83,423.36</b>
<b>As at March 31, 2020</b>				
Borrowings	46,116.64	18,862.76	19,324.77	84,304.17
Other financial Liabilities	-	3,362.12	143.25	3,505.37
Trade and other payables	21,847.49	-	481.58	22,329.07
<b>Total</b>	<b>67,964.13</b>	<b>22,224.88</b>	<b>19,949.60</b>	<b>1,10,138.61</b>

## Notes to Financial Statements for the year ended March 31, 2021

### C. Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate consequent up on changes in market prices. It mainly comprises of regulatory risk, commodity price risk & interest rate risk, which are discussed herein below:

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 following table analyses the foreign currency risk from monetary assets and liabilities as at: (USD In lakh)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	-	0.12

#### The details in respect of outstanding foreign currency forward contracts are as follows :

Particulars	Amount (USD in lakh)	(₹ In lakh)	Amount (USD in lakh)	(₹ In lakh)
	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
<b>Forward Contracts</b>	-	-	208.77	15,153.22

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 lakh)	(₹ In lakh)	Amount (USD in lakh)	(₹ In lakh)
	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
<b>Not Later than one months</b>	-	-	-	-
Later than one month and not later than three months	-	-	208.77	15,153.22
Later than three months and not later than One year	-	-	-	-

There is no balance in cash flow hedge reserve as at March 31, 2021, However, during the year ended March 31, 2021, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. 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.

## Notes to Financial Statements for the year ended March 31, 2021

The following table provides the reconciliation of cash flow hedge reserve for the year ended: (₹ In lakh)

	As at March 31, 2021	As at March 31, 2020
<b>Gain / (Loss)</b>		
Balance at the beginning of the year	(377.23)	363.16
Gain / (Loss) recognized in other comprehensive income during the period	579.85	(1,138.08)
Tax impact on above	(202.62)	397.69
<b>Balance at the end of the year</b>	-	<b>(377.23)</b>

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### i. Interest rate risk :

Interest rate risk is a risk that the fair value of future cash flows will be impacted because of the changes in the market interest rates. Such risks mainly related to borrowings of the company with floating interest rates.

(₹ In lakh)

	Fixed rate borrowing	Variable rate borrowing	Total borrowing
<b>As at March 31, 2021</b>	8,741.20	52,105.95	60,847.15
As at March 31, 2020	12,930.80	71,902.64	84,833.44

(₹ In lakh)

	Impact on statement of profit & loss account	
	As at March 31, 2021	As at March 31, 2020
Interest rate increase by 0.25%	(130.26)	(179.76)
Interest rate decrease by 0.25%	130.26	179.76

### ii. Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and State governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy. However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risks are moderated but not eliminated.

### iii. Commodity price risk:

Sugar prices are market driven and sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

### iv. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise the shareholder's value. Management also monitors the return on capital. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. However, sugar being a seasonal industry, it is very highly capital and working capital intensive, therefore required to raise need based short term and long term debt for smooth running of the operations.

## Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total debt	60,695.42	84,304.17
Less: cash and cash equivalents & bank balances	117.62	308.11
Net debt	60,577.80	83,996.06
Total equity	57,891.11	48,370.77
Gearing Ratio { net debt / (equity + net debt)}	0.51	0.63

### 54 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

55 During financial year ended March 31, 2020, as per GOI 's notification no 1/(14)/2018 – S P 1 , the Company accounted assistance @ ₹ 13.88 per quintal of cane crushed during sugar season 2018-19 amounting to ₹ 664.03 lakh and deducted the same from cost of material consumed. During FY 2020-21 no amount is due against the above notification.

56 The Company, as per GOI's notification no 1(6)/2018-SP-I dated 15th June 2018 of GOI, created Buffer stock of 3,29,010 quintal sugar on 1st July, 2018 for a period of one year for which inventory carrying cost (including interest & storage cost) is to be reimbursed by the Government as specified in the notification.

On expiry of the said period GOI issued another notification no 1(8)/2019-SP-I dated 31st July 2019 and accordingly company created fresh buffer stock of 4,47,930 quintal sugar on 1st August 2019 for a period of another one year .

Total claim, accounted during the FY 2020-21 under second notification is ₹ 472.47 lakh (previous year ₹ 1,186.56 lakh under both the notifications), of which ₹ 403.61 lakh (previous year ₹ 1,012.92 lakh) towards interest reimbursement is deducted from Finance cost and ₹ 68.86 lakh (previous year ₹ 173.64 lakh) related to reimbursement of storage expenses is deducted from Other expenses.

57 Under GOI's notification no 1(14)/2018 notified the Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export under MIEQ Scheme for sugar season 2018-19 notified by the Government. Under the said Scheme, the Company , during FY 2019-20 accounted for an amount of ₹ 1,531.16 lakh by netting off the same from the actual expenditure incurred by the Company. During FY 2020-21 no amount is due against the above notification.

GOI vide notification no 1(14)/2019 –S.P.-1 dated 12.09.2019 , notified a Scheme for providing assistance @ ₹ 10,448/- per MT to sugar mills for expenses on marketing cost including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar under MAEQ Scheme for sugar season 2019-20. Under the said Scheme, the Company's entitlement during FY 2020-21 is ₹ 8409.60 lakh (previous year ₹ 6,221.78 lakh).

Further , GOI vide notification no 1(6)/2020 –S.P.-1 dated 29.12.2020 , notified a Scheme for providing assistance @ ₹ 6,000/- per MT to sugar mills for expenses on marketing cost including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar under MAEQ Scheme for sugar season 2020-21. Under the said Scheme, the Company's entitlement during FY 2020-21 works out to ₹ 4,767.18 lakh (previous year –Nil) The amount accounted for SS 2019-20 and SS 2020-21 in both the financial years is shown as Other operating revenues.

## Notes to Financial Statements for the year ended March 31, 2021

**58** Based on the incentive policy announced by the State Government of Uttar Pradesh vide order no. -1631 (1) S.C./ 18-02-2004-57/ 2004 dated 24.08.2004 to encourage investment in the State, the company proceeded to invest amount in excess of threshold limit as set out in the policy for availing various benefits over ten years period. On 04.06.2017 the policy was unilaterally withdrawn vide G.O. No. 1216 S.C/18.02.2007-185/2006. Aggrieved by the said order of withdrawal, the Company and other aggrieved sugar companies challenged the order by filing appropriate writ petitions. Hon'ble High Court on 12.02.2019 passed an order quashing & setting aside the order withdrawing the incentive scheme and held the same to be in violation of principle of estoppel & natural justice. Company has since then written to competent authorities and submitted the requisite information/documents in support of its claims, the matter is yet to be concluded by the authorities.

### 59 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.

### 60 Income tax:

#### a) Amount recognised in Statement of profit and loss

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax	2,112.52	1,265.72
Deferred tax	715.32	(1,447.41)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>2,827.84</b>	<b>(181.69)</b>

#### b) Reconciliation of effective tax rate

(₹ In lakh)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Tax expense</b>		
Profit before tax	11,980.21	7,157.40
Add: Interest on Tax as grouped in finance cost	73.11	38.82
Less: Other comprehensive income	(16.94)	(84.72)
Add: Ind AS Adjustment	52.80	137.15
	<b>12,089.18</b>	<b>7,248.65</b>
Less: Income exempted under Income Tax Act (Power Income)	4,436.65	5,238.23
	<b>7,652.53</b>	<b>2,010.42</b>
Applicable tax rate*	34.944%	34.944%
<b>Computed tax expense</b>	<b>2,674.10</b>	<b>702.52</b>
<b>Total Tax Expense</b>	<b>2,674.10</b>	<b>702.52</b>
<b>Adjustments for:</b>		
Income exempt for tax purpose	3.52	2.63
Expenses not allowed for tax purpose	53.74	86.59
Changes in recognized deductible temporary differences	(439.38)	(297.70)
Prior year MAT entitlement	(62.99)	(23.01)
Effect of deferred tax adjustment (excluding MAT credit entitlement/utilisation)	598.85	(652.72)
<b>Net adjustments</b>	<b>153.74</b>	<b>(884.21)</b>
<b>Tax Expense</b>	<b>2,827.84</b>	<b>(181.69)</b>

\* Pursuant to introduction of section 115BAA of the Income Tax Act, 1961 through Taxation Law (Amendment) Ordinance, 2019 (Ordinance), the domestic companies have with effect from financial year commencing from April 1, 2019 and thereafter, option to pay corporate income tax at reduced rate plus applicable surcharge and cess (New Tax Rate) by

## Notes to Financial Statements for the year ended March 31, 2021

foregoing certain exemptions / deduction. Based on the assessment made by the company, exemptions / deductions as available to the company will get exhausted in future financial years after which the company will opt for lower tax rate as stated above. Accordingly Company has measured its deferred tax assets and liabilities using the dual income tax rates, resulting in reversal of deferred tax liability of ₹ 1,422.79 lakh (previous year ₹ 1,315.25 lakh)

### 61 COVID 19

The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance in economic activities. Economy has shown positive trends in the second half of the FY 2020-21 after resumption of business activities in most of the industries particularly after India started its national COVID vaccination programme in January 2021. However country is witnessing resurge in COVID cases from start of April 2021 .

The company is periodically reviewing possible impact of COVID-19 on it's business and the same are considered in preparation of financial statements for the year ended 31st March, 2021. Review includes internal & external factors as known to the company up to the date of approval of these financial statements to assess and finalise the carrying amounts of its assets & Liabilities.

### 62 Details of loans given, investments made and guarantee given under section 186(4) of the Companies Act, 2013

(₹ In lakh)

	Amount outstanding As at March 31, 2021	Amount outstanding As at March 31, 2020
Loan given	-	-
Guarantee given	-	-
Investment made	33.26	32.92

63 The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

#### For NSBP & Co.

Chartered Accountants  
Firm Regn. No. 001075N

#### Deepak K. Aggarwal

Partner  
Membership No. 095541

Place: New Delhi  
Date: May 12, 2021

For and on behalf of the Board of Directors of  
**DWARIKESH SUGAR INDUSTRIES LIMITED**

#### G. R. Morarka

Executive Chairman  
DIN: 00002078

#### B. J. Maheshwari

Managing Director & CS cum CCO  
DIN: 00002075

Place: Mumbai  
Date: May 12, 2021

#### Vijay S. Banka

Managing Director  
DIN: 00963355

#### Alok Lohia

Chief Financial Officer



## Key Financial Data

(₹ In lakh)

	2010-2011* (Oct10-Sept11)	2011-2012 (Oct11-Sept12)	2012-2013 (Oct12-Sept13)	2013-2015 (18 months) (Oct13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017# (Apr 16-Mar17)	2017-2018 (Apr 17-Mar 18)	2018-2019 (Apr 18-Mar 19)	2019-2020 (Apr 19-Mar 20)	2020-2021 (Apr 20-Mar 21)
Sales	61,655	72,595	96,282	1,17,643	83,151	1,25,610	1,45,828	1,08,412	1,33,613	1,83,885
Excise Duty	(2,342)	(2,735)	(3,521)	(4,035)	(3,717)	(6,570)	(2,833)	-	-	-
Net revenue from operations	59,313	69,860	92,761	1,13,608	79,434	1,19,040	1,42,995	1,08,412	1,33,613	1,83,885
Other Income	35	216	1,310	265	862	1,456	1,748	3,610	540	709
<b>Total Income</b>	<b>59,348</b>	<b>70,076</b>	<b>94,072</b>	<b>1,13,874</b>	<b>80,296</b>	<b>1,20,496</b>	<b>1,44,743</b>	<b>1,12,022</b>	<b>1,34,153</b>	<b>1,84,594</b>
Manufacturing and operating expenses	43,134	63,790	74,247	1,19,978	61,717	85,923	1,10,178	1,09,051	1,11,573	1,36,663
Decrease / (Increase) in stock	1,829	(9,941)	4,511	(28,228)	(2,856)	(7,014)	4,716	(29,154)	(8,647)	6,444
Exception item/ Deferred revenue expenditure	-	-	-	-	(492)	(323)	-	-	-	-
Staff expenses	3,543	3,805	4,030	7,144	4,968	7,157	6,933	7,084	7,879	9,275
Selling & administration expenses (other expenses*)	3,359	2,811	4,101	5,393	4,785	5,638	6,919	8,526	9,201	11,378
<b>Total Expenditure</b>	<b>51,865</b>	<b>60,465</b>	<b>86,889</b>	<b>1,04,286</b>	<b>68,122</b>	<b>91,381</b>	<b>1,28,746</b>	<b>95,507</b>	<b>1,20,006</b>	<b>1,63,760</b>
Profit before interest, depreciation and tax (PBITD)	7,483	9,611	7,183	9,587	12,174	29,115	15,997	16,515	14,147	20,834
Depreciation and amortization expenses	3,272	3,289	3,319	4,725	3,076	2,994	3,250	3,295	3,687	4,089
Profit before interest and tax (PBIT)	4,212	6,322	3,864	4,862	9,098	26,121	12,747	13,220	10,460	16,745
Interest	5,978	7,886	7,056	7,521	5,159	5,250	2,531	2,126	3,303	4,765
Profit before tax (PBT)	(1,766)	(1,564)	(3,192)	(2,659)	3,939	20,871	10,216	11,094	7,157	11,980
Taxes	(450)	(433)	(1,256)	(984)	42	5,260	71	1,583	(188)	2,826
Profit after Tax (PAT)	(1,316)	(1,131)	(1,936)	(1,675)	3,897	15,611	10,145	9,511	7,345	9,154
Cash accruals	1,506	1,725	117	2,066	7,006	23,865	13,349	12,563	10,373	13,840
Equity Share Capital	1,631	1,631	1,631	1,631	1,631	1,883	1,883	1,883	1,883	1,883
Preference Share Capital	1,610	1,610	3,110	3,110	3,110	-	-	-	-	-
Share Application money pending allotment	-	1,000	-	-	-	-	-	-	-	-
Reserves & Surplus/Other Equity	10,386	9,255	7,319	5,644	6,960	26,718	34,699	44,477	46,488	56,008
Secured loan funds/ Financial liabilities borrowings excluding cash credit limits/ secured loan including repayable within 1 year*	39,308	33,169	23,983	27,154	30,141	14,390	5,390	14,469	36,688	19,693
Unsecured loan funds and Liability component of compound financial instrument	239	11	9	9	9	3,113	1,611	1,500	1,500	-
Net block of fixed assets/Property,Plant Equipment, Right to use asset and capital work in progress	50,032	46,999	44,044	39,861	35,666	33,185	34,101	33,557	43,224	41,045
Investment	24	24	24	24	20	32	32	32	33	33
Deferred tax liability	683	249	-	-	-	-	-	-	-	-
Deferred tax Assets	-	-	1,017	2,001	1,707	1,398	3,331	4,015	5,889	4,977
Current assets	14,058	26,967	19,837	56,964	61,725	66,928	59,045	94,965	1,09,911	98,168
Non Current Assets/Long term loans & advances & other non current assets	1,208	1,231	1,125	1,024	1,005	325	1,851	3,943	1,878	340
Current Liabilities / current liabilities excluding short term borrowing & current maturity of loan term debts	3,301	7,813	13,529	25,560	21,190	18,408	25,996	22,026	25,737	23,553
Non Current Liabilities/Other long term liabilities, lease liability & long term provisions	1,046	1,159	1,237	1,494	1,670	1,580	1,556	2,561	2,524	2,405
Current Liabilities including cash credit limit	10,419	27,137	28,758	60,833	56,602	54,188	53,223	71,622	71,854	64,555

\*regrouped /reclassified as per schedule VI since 2010-11

#regrouped/ recasted as per IND AS

# Financial Icons

(₹ In lakh)

Particulars	2010-2011* (Oct10-Sept11)	2011-2012 (Oct11-Sept12)	2012-2013 (Oct12-Sept13)	2013-2015 (18 months) (Oct13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017# (Apr 16-Mar17)	2017-2018 (Apr 17-Mar 18)	2018-2019 (Apr 18-Mar 19)	2019-2020 (Apr 19-Mar 20)	2020-2021 (Apr 20-Mar 21)
<b>OPERATING RATIOS</b>										
Cost of material sold / Net revenue from operations	75.81%	77.08%	84.90%	80.76%	74.10%	66.29%	80.35%	73.70%	77.03%	77.82%
Cost of material sold = cost of material consumed* + increase / decrease in stock										
Staff expenses / Net revenue from operations	5.97%	5.45%	4.34%	6.29%	6.25%	6.01%	4.85%	6.53%	5.90%	5.04%
Selling & administration expenses / Total income	5.66%	4.02%	4.42%	4.75%	6.02%	4.74%	4.84%	7.86%	6.89%	6.19%
Other expenses* / Net revenue from operations										
PBIDT / Net revenue from operations	12.62%	13.76%	7.74%	8.44%	15.33%	24.46%	11.19%	15.23%	10.59%	11.33%
PBIT / Net revenue from operations	7.10%	9.05%	4.17%	4.28%	11.45%	21.94%	8.91%	12.19%	7.83%	9.11%
PBT / Net revenue from operations	-2.98%	-2.24%	-3.44%	-2.34%	4.96%	17.53%	7.14%	10.23%	5.36%	6.51%
PAT / Net revenue from operations	-2.22%	-1.62%	-2.09%	-1.47%	4.91%	13.11%	7.09%	8.77%	5.50%	4.98%
<b>BALANCE SHEET RATIO</b>										
Debt Equity Ratio	2.88	2.65	1.99	2.61	2.58	0.50	0.15	0.31	0.76	0.34
(Secured loan excluding cash credit / share holder's funds)										
Inventory Turnover Ratio	4.76	3.08	5.17	2.39	1.52	2.01	2.82	1.36	1.51	2.24
(Net Revenue from operations / closing stock of inventory)										
Fixed Assets Turnover Ratio ( Net Revenue from operations / net block of fixed assets)	1.19	1.49	2.11	2.85	2.23	3.59	4.19	3.23	3.09	4.48
Fixed Assets Coverage Ratio (FACR) (Net block of fixed assets/ Secured loan excluding cash credit)	1.26	1.41	1.83	1.47	1.18	2.31	6.33	2.32	1.18	2.08
<b>PER SHARE DATA</b>										
Earnings per share (EPS) (₹)	(9.02)	(7.88)	(13.53)	(13.19)	22.02	8.87	5.39	5.05	3.90	4.86
Cash earnings per share (CEPS) (₹)	8.28	9.62	(0.95)	15.77	41.08	7.59	7.09	6.67	5.51	7.35
Dividend (₹ per Equity Share)	-	-	-	-	-	10	-	-	2.00	-
Dividend Payout %	-	-	-	-	-	100%	-	-	200%	-
Book Value (₹)	73.66	66.73	54.86	44.60	52.66	15.19	19.43	24.62	25.69	30.74

\*regrouped /reclassified as per schedule VI since 2010-11

#regrouped/ recasted as per IND AS

# Value-Added Statement

(₹ In lakh)

PARTICULARS	2010-2011* (Oct10-Sept11)	2011-2012 (Oct11-Sept12)	2012-2013 (Oct12-Sept13)	2013-2015 (18 months) (Oct13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017# (Apr 16-Mar17)	2017-2018 (Apr 17-Mar 18)	2018-2019 (Apr 18-Mar 19)	2019-2020 (Apr 19-Mar 20)	2020-2021 (Apr 20-Mar 21)
Corporate Output (Total Income incl.excise duty)	61,690	72,811	97,593	1,17,909	84,013	1,27,066	1,47,576	1,12,022	1,34,153	1,84,594
Less: Manufacturing & Operating expenses/ cost of material consumed**+Increase/decrease in stock	44,963	53,849	78,758	91,749	58,861	78,909	1,14,894	79,897	1,02,926	1,43,107
Less:Exceptional Item/ deferred revenue expenditure	-	-	-	-	(492)	(323)	-	-	-	-
Less: Selling & Administrative expenses/ Other Expenses*	3,359	2,811	4,101	5,393	4,785	5,638	6,919	8,526	9,201	11,378
Gross Value Added	13,368	16,151	14,733	20,766	20,859	42,842	25,764	23,599	22,026	30,109
Less: Depreciation	3,272	3,289	3,319	4,725	3,076	2,994	3,250	3,295	3,687	4,089
Net Value Added	10,096	12,862	11,415	16,041	17,783	39,847	22,513	20,304	18,339	26,020
<b>Allocation of Net Value Added:</b>										
to personnel	3,543	3,805	4,030	7,144	4,968	7,157	6,933	7,084	7,879	9,275
to Exchequer (Excise/GST)	2,342	2,735	3,521	4,035	3,717	6,570	2,833	-	-	-
to Exchequer (Direct Taxes)	-	-	-	-	145	4,375	2,059	2,413	1,259	2,111
to Mat Credit (entitlement)/utilization	128	-	-	-	(135)	(4,375)	(1,942)	(600)	(795)	116
to deferred tax	(578)	(433)	(1,256)	(984)	33	5,260	(46)	(230)	(652)	599
to Stake holders (Interest)	5,978	7,886	7,056	7,521	5,159	5,250	2,531	2,126	3,303	4,765
to Investors (Dividend)	-	-	-	-	-	-	-	-	-	-
to Company (Retained earnings)	(1,316)	(1,131)	(1,936)	(1,674)	3,897	15,611	10,145	9,511	7,345	9,154
	10,096	12,862	11,415	16,041	17,783	39,847	22,513	20,304	18,339	26,020

\*regrouped /reclassified as per schedule VI since 2010-11

#regrouped/ recasted as per IND AS

Allocation of the value added to the State Exchequer does not include GST payment of ₹ 8549 lakhs, ₹ 5989 lakhs, ₹ 5033 lakhs and ₹ 4727 lakhs for F.Y 2020-21, F.Y 2019-20, F.Y 2018-19 and F.Y 2017-18 respectively.

## Key Statistics

Particulars-SS	2010-2011*	2011-2012	2012-2013	2013-2014	2014-15	2015-16	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>No of days crushed</b>											
- DN	141	155	159	141	156	146	173	197	175	208	203
- DP	132	147	148	131	139	127	169	188	175	202	200
- DD	113	145	143	111	113	98	148	203	153	183	168
<b>Sugar cane Crushed in Qtls.</b>											
- DN	68,82,340	76,62,759	77,30,481	67,54,422	82,88,859	78,21,407	91,37,553	1,17,72,480	1,04,23,884	1,28,10,128	1,29,61,630
- DP	58,70,034	78,88,321	83,90,189	72,63,772	81,52,637	72,80,891	97,94,050	1,12,66,539	1,01,33,177	1,19,46,807	1,27,94,093
- DD	61,05,708	81,57,356	81,39,741	68,53,451	68,64,859	59,46,903	94,08,128	1,33,01,396	1,01,26,814	1,26,60,044	1,20,79,976
<b>Recovery %</b>											
- DN	10.30	10.16	10.32	10.47	11.11	12.12	12.34	12.24	12.44	12.00	10.97
- DP	9.47	9.73	10.00	10.52	10.98	11.77	12.11	12.24	12.24	12.42	11.07
- DD	8.55	9.09	9.15	9.65	10.14	11.16	10.89	11.24	12.24	12.39	12.08
<b>Total losses %</b>											
-DN	1.85	1.82	1.83	1.79	1.70	1.82	1.75	1.76	1.77	2.17	3.16
-DP	1.93	1.76	1.81	1.66	1.61	1.62	1.61	1.66	1.74	1.60	2.94
-DD	2.07	1.90	1.92	1.68	1.72	1.74	1.75	1.86	1.70	1.72	1.81
<b>Sugar Cane Bagged in Qtls.</b>											
- DN	7,10,349	7,78,198	7,97,890	7,07,397	9,20,511	9,48,800	11,27,722	14,41,423	12,96,625	15,36,915	14,21,800
- DP	5,57,845	7,67,410	8,38,650	7,64,090	8,95,261	8,56,652	11,85,936	13,79,135	12,40,605	14,84,250	14,16,635
- DD	5,22,085	7,41,195	7,44,505	6,61,266	6,95,766	6,65,433	10,24,515	14,95,298	12,39,857	15,67,955	14,59,618

\*regrouped /reclassified as per schedule VI since 2010-11



# Corporate information

## Directors

G. R. Morarka, Executive Chairman  
B. K. Agarwal, Independent Director  
K. N. Prithviraj, Independent Director  
Nina Chatrath, Independent Director  
Gopal B. Hosur, Additional Independent Director  
Rajan K. Medhekar, Additional Independent Director  
B. J. Maheshwari, Managing Director & CS cum CCO  
Vijay S. Banka, Managing Director

## Registered Office & Unit I

**Unit I:** Dwarikesh Nagar - 246 762

District: Bijnor,  
Uttar Pradesh.

**Unit II:** Dwarikesh Puram - 246 722.

Tehsil Dhampur, District Bijnor,  
Uttar Pradesh.

**Unit III:** Dwarikesh Dham - 243 503.

Tehsil Faridpur, District Bareilly,  
Uttar Pradesh.

## Corporate office

511, Maker Chambers – V,  
221, Nariman Point,  
Mumbai - 400 021.

## President (Corporate Affairs)

Priyanka G. Morarka

## Senior Executive Vice President (Works) DD Unit

R. K. Gupta

## Vice President (Works) – DN & DP Units

K.P.Singh

## Chief Financial Officer

Alok Lohia

## Bankers

Punjab National Bank

## Solicitors

Kanga & Co.

## Auditors

N S B P & Co.  
Chartered Accountants





**Dwarikesh**  
Sugar Industries Limited

[www.dwarikesh.com](http://www.dwarikesh.com)