Balrampur Chini Mills Limited

Annual Report 2020-21

STRETCH

The art and commitment of doing more with less

Contents

Forward-looking statements

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 making assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

At Balrampur Chini Mills Limited, our existence has been defined by the word 'Stretch'.

We seek to generate **more** from less. We seek to make the good **great**. We seek to **maximise** returns from every stick of cane. We seek to **redefine** - not just raise - the bar. We seek to put **extraordinary** effort into ordinary work. We seek to make the manufacture of a **challenging** product easy.

'Stretch' at work

At Balrampur, we have been a sugar company for more than four decades.

The time has come to transform into an energy company.

Balrampur Chini Mills Limited.

Among the largest sugar producers in India.

Now at the cusp of a significant transformation.

Evolving from a sugar company into an energy organisation.

Who we are

- One of the largest integrated sugar manufacturers in India
- Led by Vivek Saraogi, the Company is managed by professionals with a deep sectoral understanding
- Revenues are derived from the manufacture of sugar, ethanol, power and agricultural fertilisers

Where we are

- Headquartered in Kolkata, India
- Integrated model of sugar factories, distilleries and co-generation units across the cane-rich belts of Eastern and Central Uttar Pradesh

Where we are listed

- The Company is listed on the BSE Limited (scrip code: 500038) and National Stock Exchange of India Limited (scrip code: BALRAMCHIN) where its equity shares are traded actively.
- The market capitalisation of the Company stood at ₹4504.50 crore as on 31st March, 2021 with a promoter shareholding of 41.21%

How we are rated

Reputed rating agencies, namely CRISIL and ICRA,assigned AA/ (Positive) and A1 + rating to Long Term and Short Term limits of the Company

How we have been pioneering

- The Company was among the first to moderate dependence on sugar and venture into distillery and co-generation operations
- The Company was among the first in its industry to install incinerator boilers in the distillery to eliminate effluents discharge that made it possible to run the distillery for 330 days (against the regulated 270 days)
- Strengthened the Balance Sheet by pre-paying long term debts
- Maintaining a high pay-out to shareholders by way of dividends and buy-back of equity shares on a sustainable basis

How we conduct our business

Sourcing
We help farmers to produce high quality cane in our command area for our sourcing

Production
We also produce high quality sugar of <100 ICUMSA in our sugar refineries

Downstream utilisation
The Company manufactures ethanol from molasses and generates power from bagasse

Sale
We sell within India and export sugar as per the government quota allocation

Caring
We care for the environment through proactive investments in environment management. We were able to make visible impact in the life of the communities through our CSR interventions

Big numbers

Our units

10
Sugar units

4
Distillery units
(5th unit under implementation)

8
Co-generation units
(2 units under implementation)

Big numbers

Our capacities

76500
TCD cane crushing capacity per day

520
Kilolitres per day (KLPD) of distillery capacity
(Being raised to 840 KLPD)

168.7
MW saleable co-generation capacity

What Balrampur Chini Mills

Respect

Emerged as one of the most respected sugar companies in India.

Sustainability

Remained profitable in 18 of the last 20 years (Cash Profit in 20 years).

Broad-based

Rating

Achieved long term credit rating of AA/(Positive), the highest accorded to any sugar company in India.

Performance

Achieved improved recoveries among Uttar Pradesh sugar mills (despite eight out of our 10 sugar mills belonging to the low recovery region of East Uttar Pradesh).

Responsible

Was one of the first sugar companies to diversify from sugar to synergic businesses (co-generation and distillery).

De-risking

Successfully demonstrated that the sugar business could be relatively de-risked even when scaled.

Acquisitions

Engaged in four acquisitions, turning around loss making units into profitable ones.

has achieved till now

Digital

Emerged as one of the first sugar companies more than a decade ago to start the digital transfer of money to farmers directly into their accounts for cane supplied

Emerged as a sectoral showcase for responsible environment practices.

Buybacks

Engaged in four back-to-back share buybacks of equity shares in the last four calendar years, the only Company in India's agri-based sector to have done so.

Part One

How the philosophy of 'Stretch' lies at the core of our passionate mindset

Our 'stretch' journey across four decades

1975-1990: Our building block

1975
The Balrampur unit went into business with a crushing capacity of 800 TCD; this capacity was subsequently enhanced to 12000 TCD.

1976
By an indenture of conveyance, Balrampur Commercial Enterprises Limited (BECL) came under the aegis of Balrampur Chini Mills Limited (BCML) with transfer of land, buildings, assets and the entire staff of the sugar factory. BCML ceased to be a subsidiary of BCEL. The shares were listed on the Calcutta Stock Exchange in 1979.

1990-1999: Inorganic growth

1990
Acquired a controlling stake in Babhnan Sugar Mill Limited (crushing capacity 1,000 TCD in 1990). The mill was expanded and modernised, resulting in an increased crushing capacity from 2,500 TCD in 1992-93 to 10,000 TCD presently (Babhnan Sugar Mills Limited was merged with BCML with effect from 1st April, 1994).

1995
Commissioned a distillery in Balrampur; the initial capacity of 60 kilolitres per day was subsequently raised to 160 kilolitres per day.

1998
Acquired a controlling stake in Tulsipur Sugar Company Limited, located near Balrampur in Eastern Uttar Pradesh with an installed capacity of 2,500 TCD. Tulsipur Sugar Company Limited was merged with BCML with effect from 1st April, 1999; the crushing capacity of Tulsipur Sugar was subsequently expanded to 7,000 TCD.

2000-2014: Integrated organic growth

2004

Set up a greenfield integrated sugar complex at Haidergarh with a crushing capacity of 4,000 TCD along with bagasse-based co-generation power plant (20.25 MW). The crushing capacity has since been increased to 5,000 TCD and co-generation capacity to 23.25 MW.

Commenced a distillery of 60 KLPD at Babhnan,which was subsequently raised to 100 KLPD.

Commissioned a cogeneration plant at the Babhnan unit (3 MW).

2005

Set up a greenfield integrated sugar complex at Akbarpur with a crushing capacity of 7,000 TCD along with a bagasse-based cogeneration power plant (18MW). The crushing capacity was subsequently expanded to 7,500 TCD.

2006

Set up a greenfield integrated sugar complex at Mankapur with a crushing capacity of 8,000 TCD along with bagasse-based cogeneration power plant (34 MW) and a 100- KLPD distillery. The plant's cogeneration capacity was subsequently raised to 43.60 MW.

2007

Set up a greenfield integrated sugar complex at Kumbhi, with a crushing capacity of 8,000 TCD along with bagasse-based co-generation power plant (20 MW). The co-generation capacity was subsequently raised to 32.70 MW.

Another greenfield integrated sugar complex was also set up at Gularia, with a crushing capacity of 8,000 TCD along with bagasse-based cogeneration power plant (31.3 MW).

Second phase of inorganic growth

Acquired an integrated sugar unit at Rauzagaon from Dhampur Sugar Mills Ltd. The unit (then capable of crushing 7,500 TCD and generating 12 MW of power) was expanded to 8,000 TCD; power generation capacity was enhanced to 25.75 MW.

Acquired a 53.96% stake in Indo Gulf Industries Limited (IGIL). IGIL had a sugar unit with a crushing capacity of 3,000 TCD at Maizapur along with an explosive manufacturing unit,which was not functional. The sugar division was demerged from IGIL and merged with BCML. During 2017, BCML sold its entire stake in IGIL.

2015 to 2020: Caring for the environment and shareholders

Invested in incinerators at distilleries for achieving Zero Liquid Discharge (ZLD) effluents, which also enabled the Company to run the distillery for an incremental 60 days a year.

Initiated four share buybacks with a cumulative payout of ₹601.67 crore with a dividend payout of ₹309.12 crore. The Company paid ₹41.93 crore towards tax related to the share buybacks and ₹52.46 crore towards Dividend Distribution Tax.

ENERGY

Commissioned a 160 KLPD distillery at Gularia to manufacture ethanol.

2021

Embarked on setting up the Company's fifth distillery with a capacity of 320 KLPD facility at Maizapur unit (likely to be commissioned in 2022). The distillery will be one of its kind to produce ethanol.

Focused on evolving from a sugar company into an energy company.

‘Stretch’ has been a critical feature of our growth story

We manage scale

We operate ten sugar mills in Eastern and Central Uttar Pradesh

We address the needs of more than 600,000 farmers in the areas of our presence

We manage the second largest sugar manufacturing capacity in India

We have embarked on a journey to become one of the largest ethanol producers in Uttar Pradesh

We focus on enhancing outcomes

We reported one of the highest EBITDA, PBT and PAT in India's sugar sector

We reported a higher sugar recovery compared to the average recovery of Uttar Pradesh in sugar season 2020-21

Making a 'Stretch' a part of our existence at Balrampur

Where the objective is to **attempt** what has never been tried in the sector.

Where the big picture is **'Balrampur 2.0'**.

Where the principal obsession is 'Is this clean and **sustainable?**'

Where the base line is 'Is it the best **standard** in the country?'

Where every business is being driven around Return on **Capital Employed** more than market share.

Where the operative bottom line is '**More from less'**.

Where the Company is driven by **cash flows** over book profits.

Where the objective is to leave the world cleaner and **greener**.

Balrampur's 'Stretch' philosophy comes down to a mindset

'Aur jaldi nahi hoga?'

'Is baar benchmark banna hain !'

'Samajhiye ki ho gaya'

'Shuru karte hain !'

'Kar ke dikhaana hain'

'I need this as of yesterday'

'Right away!'

'Sab kuch sambhav hain'

'Let us play for pride'

'ASAP'

'Get any project and we will deliver'

'Asambhav jaisa koi shabd hota hi nahi'

Stretch at Balrampur

How we are automating operations

AT BALRAMPUR, ONE OF OUR MOST DECISIVE INITIATIVES HAS BEEN IN THE AREA OF OPERATIONAL AUTOMATION.

When this was first proposed, a number of external advisors asked: 'Is it at all possible in a people-intensive manufacturing operation?'

At Balrampur, we dared to dream.

We dared to believe that most things manually driven could be mechanised or automated.

We dared to believe that this was not only imperative but necessary.

We dared to believe that this would not be regretted as an expense on the Profit & Loss Account.

We dared to believe that even as this had never been done on a large scale in the country's sugar industry, we could pull the challenge off.

The automation would lead to operational harmony and a smoothening of the operational curve (lower crests and troughs); lower energy consumption, lower downtime, enhanced product quality and the ability to enhance capacity without deploying additional equipment.

At Balrampur, we are convinced that the extent of this integration will make it possible to monitor and control operations from one location, enhancing vigilance and responsiveness.

Stretch at Balrampur

Deepening our culture of compliance

IN A BUSINESS MARKED BY A NUMBER OF VARIABLES, EXTENSIVE CONSUMPTION OF NATURAL RESOURCES AND THE POTENTIAL OF DAMAGING ECOLOGICAL IMPACT IN THE EVENT OF OPERATIONAL IRRESPONSIBILITY, THERE IS A PREMIUM ON THE NEED FOR A COMPREHENSIVE COMPLIANCE CULTURE

There are a number of reasons why the time has come for graduating the existing compliance commitment to a higher level.

One, government requirements are evolving all the time, making it imperative to stay ahead of the curve.

Two, there is a greater stakeholder demand for companies to be responsibly invested in extensive compliance.

Three, the upside derived out of responsible compliance generates a disproportionate increase in stakeholder wealth now than ever before.

At Balrampur, we are deepening this culture of compliance; we are raising this bar beyond the needs of the day to the requirements of tomorrow; we are extending to sustainable initiatives related to reduction, recycling, renewables, replacement and restoration.

We believe that this proactive approach will moderate our dependence on natural resources, enhance ecological sustainability, moderate costs, strengthen operational safety and reinforce our business sustainability.

We believe that this integrated approach – external and internal compliance – will enhance pride and productivity.

In doing so, we expect to demonstrate that what is good for the environment is good for business as well.

Stretch at Balrampur

Deepening our carbon negative personality

AT BALRAMPUR, WE ARE DEEPENING OUR PERSONALITY AS AN ENVIRONMENT-FRIENDLY COMPANY.

For nearly two decades, the Company has been engaged in the conversion of the bagasse (a waste of sugarcane when crushed) into clean energy. This energy has not only been consumed within; the Company has been a consistent exporter of cogenerated electricity to the state grid.

The time has come for Balrampur to enhance its green footprint and reinforce its environment personality through increased distillery capacity.

By December 2022, the Company intends to commission another 320 KLPD ethanol capacity, which will be used as a downstream petrol additive with the objective to moderate automotive fuel emissions and reduce carbon footprint.

On the other hand, the Company will eliminate sugar production at that manufacturing unit. This is expected to enhance revenues (by quantum and proportion) of the Company directed towards reducing its carbon footprint to a little more than a third of its revenues in two years from now.

The progressive ethanolisation will deepen the Company's personality as an ecologically-driven, environmentally-responsible and stakeholder-enriching organisation across the foreseeable future.

Stretch at Balrampur

Positioned to emerge as the Best Place to Work In

AT BALRAMPUR, WE REINFORCING OUR PERSONALITY AS A PASSION-DRIVEN ORGANISATION

The sugar industry is people-intensive, putting a premium on productivity.

It has been observed that in this business the higher the employee motivation, the greater the organisational efficiency, reflected in enhanced asset uptime, lower maintenance costs, abundant cane availability and increased competitiveness.

Over the years, BCML strengthened its people engagement through initiatives related to skill, aptitude and attitude.

The Company strengthened a number of welfare initiatives covering medical checks and insurance.

It partnered schools to facilitate the education of children of employees and the community.

It enhanced safety and hygienic working conditions through its 6S programme at the Balrampur facility.

Its structured training programme for mid-level managers is at the design stage for implementation at the Balrampur unit.

The automation of its HR function enhanced data-centricity, analytics, consultative engagement and agility.

The Company proposed housing and recreational provisions for employees at all locations, which are likely to be completed in 2023-24.

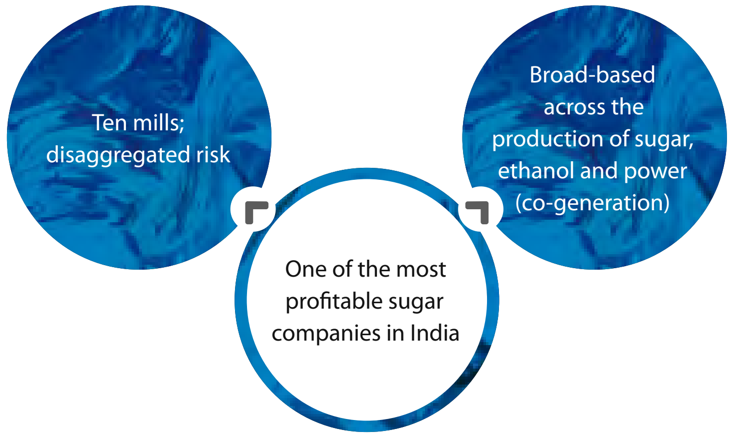
The complement of these initiatives is expected to reinforce the Company's position as a preferred employer, translating into sustainable outperformance.

Part Two

How Balrampur's 'Stretch' philosophy has translated into outperformance

How 'Stretch' has helped enhance shareholder value

How a complement of strategically located plants has helped Balrampur emerge as a rural economic multiplier



Balrampur's value-enhancing model

At BCML, our value-creation engine has been driven by two overarching realities – a large addressable market and a sustainable competitive advantage

Large addressable market

The Indian sugar market's consumption is growing at a reasonable rate each year

The Indian ethanol market is likely to report a larger demand than supply in the future

India is likely to accommodate a larger proportion of renewable power in its electricity mix

Sustainable competitive advantage

The Company possesses the second largest cane crushing capacity in India's private sugar sector

The Company possesses arguably the lowest cost structure among large companies in India's sugar sector

The Company possesses among the most under-borrowed Balance Sheets in India's sugar sector

Outcomes of our approach

The Company has consistently reported the highest profits in India's sugar sector

The Company's cost of funds has been progressively declined

The Company completed four share consecutive buybacks in the last four calendar years, the only such instance in India's agri-based sector

The Company has consistently been among India's most valuable sugar companies

The Company achieved a credit rating of AA/(Positive) outlook, the highest accorded to any sugar company in India

The broad elements of how we enhanced shareholder value over the years

Scale | Efficiency | Responsibility | Sustainability

Scale

- Second largest Indian integrated sugar company (76500 TCD) with 520 KLPD distillery capacity
- The second largest number of mills owned by any Indian sugar company

Operating efficiency

- Average recovery for the five years ending FY 2020-21 was better than the Uttar Pradesh average
- Per person productivity increased 137 MT in FY 2020-21
- Sugar capacity utilisation was 88% compared with 85% in FY 2016-17
- Gearing improved from 0.56 in FY 2015-16 to 0.14 in FY 2020-21

Responsibility

- Deep governance commitment; de-risked approach; established credibility
- Driving rural cane and services procurement
- Focus on moderating consumption of finite natural resources
- Complete commitment to SOP-driven safety for all workers

Sustainability

- Investment in business platforms for sustainable scalability
- Long-term relationships with farmers ensuring resource visibility
- Building long-term assets (distillery) out of free cash flows or retained earnings
- Net Debt/EBITDA declined attractively

How we strengthened our operations

Number of plants

1990	2021
1	10

Crushing capacity (TCD)

2000	2021
20,500	76,500

Saleable products

Until 1994	2021
1	3

Saleable cogeneration capacity (MW)

2000	2021
Nil	168.7

Employees

2000	2021
2731	5920

Distillery capacity (KLPD)

2000	2021
60	520

Sugar recovery achieved (%)

2000	2021
9.90	10.63*

Value of cane procured (₹ crore)

2000	2021
275.55	3515.38

*Post sacrifice of 1.14% of sugar by the virtue of opting for the B-heavy molasses route of ethanol manufacture

How our operations enhanced outcomes

Revenues (₹ crore)

2015	2021
2986.98	4811.66

EBITDA (₹ crore)

2015	2021
126.50	713.83

Total Comprehensive Income (₹ crore)

2015	2021
(57.73)	469.22

Liquidity

2015	2021
12.67	1.76

Net Debt/EBITDA

1.24	18.17

Interest cover

How we enhanced shareholder value

Market capitalisation (₹ crore)

31 March, 2015	31 March, 2021
1213.56	4504.50

Cumulative dividend payout

309.12
₹ crore, from FY 2016-17 to FY 2020-21

11.18
% payout ratio from FY 2016-17 to FY 2020-21

Cumulative equity share buy-back

601.67
₹ crore, from FY 2016-17 to FY 2020-21

21.76
% payout ratio from FY 2016-17 to FY 2020-21

Balrampur outperformer

Credibility

1,969.79
₹ crore long-term loans repaid in the ten years ending FY 2020-21

396.64
₹ crore short-term loans repaid in the ten years ending FY 2020-21

Vendor credibility

25,457.95
₹ crore of cane purchased from farmers in the ten years ending FY 2020-21

885.92
Lacs MT, of cane crushed in the ten years ending FY 2020-21

Mean profitability

10
Number of years the Company has been profitable at the cash level in 10 years ending FY 2020-21

3,620.10
₹ crore quantum of cash profit generated in the 10 years ending FY 2020-21

Margins

8
Number of years out of 10 where EBITDA margin has been in excess of 10%

Analysis

Balrampur's architecture of value creation

Overview

We have created a structured approach to value-addition.

This structure has been broadly consistent in evolving circumstances.

This value-creation approach represents a platform for sustainable value-creation.

Over the years, the Company has made prudent investments to enhance value from each business segment.

1 Overarching commitment to Environment-Social-Governance

There is a growing priority to conduct business like a responsible corporate citizen.

In a world marked by unforeseen shifts, governance smoothens the change curve: it moderates down cycles and extends upcycles. Besides, companies with deep governance have been seen to enhance stakeholder confidence and corresponding value.

A recent study found that companies scoring high on a 'crisis response' measure (based on Human Capital, Supply Chain, and Products and Services ESG sentiment) were associated with 1.4-2.7% higher stock returns in the wake of the pandemic outbreak. The study found a positive relationship between ESG and financial performance for 58% of the 'corporate' studies focused on operational metrics such as ROE, ROA, or stock price with 13% showing neutral impact, 21% mixed results (the same study finding a positive, neutral or negative results) and only 8% showing a negative relationship.

The relationship between ESG and financial performance indicate that improved financial performance due to ESG becomes more marked over longer horizons; ESG investing protects downsides especially during social or economic crises; managing for a low carbon future improves financial performance.

BCML and ESG

At BCML, Environment-Social-Governance (ESG) represents the core of our business. This feature has been emphasised in a business where we manufacture a food product on the one hand and engage in equipment and process investments that moderate effluents and emissions (that could otherwise have an adverse environment impact) on the other . Any under-performance in our business usually entails a cost for remedial action, censure, health diagnosis, treatment, recovery or closure.

The environment component
Addresses the world's priority to consume or manufacture environmentally responsible or renewable resources, consume an optimal quantum, recycle waste, use a declining quantity of finite fossil fuels and moderate carbon footprint.

The social component
Addresses the need to invest in people, organisational culture, customer relationships and community welfare.

The governance component
Enunciates strategic clarity, prioritises ethical values, enforces conduct codes, communicates Board composition and indicates alignment with UNGC principles, evoking a responsible expectation across stakeholders.

The combination – environment, social and governance – represents a platform leading to secure, scalable and sustainable long-term growth.

Environment

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

Strong internal controls: There is a growing commitment to environmental management systems, conduct environmental due diligence and build disaster planning & response systems across our manufacturing facilities. We believe that growth can be best derived when the Board charts out a strategic direction and delegates day-to-day management to professionals. The Company deepened its investment in processes and systems, especially information technology (enhancing process integrity).

Resilience towards climate change: At BCML, there is a commitment to reduce energy intensity, reduce greenhouse gas emissions intensity and graduate to cleaner processes.

Reduce our impact on environment and nature: BCML achieved zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity in its operations .

We strengthened our audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers and strengthening our processes.

Social

At BCML, we believe that business transformation is accelerated by a passionate team mix that reconciles youth and experience. In the last few years, this people-driven ferment has progressively enriched, resulting in industry outperformance.

Employees: We have created an organisation marked by overarching excellence directed towards emerging as the industry benchmark in terms of quality (product and process) and resource productivity. The result: continuous cost management and sustainability across market cycles. The Company made prudent investments (recruitment, retention and training) to enhance efficiency and effectiveness across functions. Besides, the Company invested in practices that enhanced safety (training, protocols, investments and awareness-building).

Customers and vendors: The Company deepened relationships with vendors as well as with primary customers. Given the diverse availability of our plants and the enhanced need from logistical efficiency, the Company worked with a large number of vendors.

Community: The Company engaged with the community around its manufacturing locations with the objective to widen the circle of prosperity through relevant interventions in the areas of natural resource protection, environmental resilience, education equity and healthcare fortification in line with United Nations' Sustainable Development Goals.

Governance

At BCML, our governance platform comprises a strategic clarity on the way we intend to do business. It enhances organisational predictability, attracting like-minded stakeholders who also believe in doing business our way. This is visibly reflected in the fact that a large proportion of our trade partners have remained with us for years, enhancing relationship predictability.

The following elements comprise our governance commitment:

Controlled growth: At BCML, we believe that business sustainability is best derived from controlled growth as opposed to spikes in profitability. In line with this conviction, the Company has allocated accruals into incremental investments without over-leveraging the Balance Sheet. The result is that the Company has grown revenues across the long-term.

Balanced approach: At BCML, we have selected to strike a balance between caution and aggression (strategic aggression and tactical conservatism), resulting in a relatively de-risked approach, As a part of this approach, we focus on capital investments generating an attractively short-term payback, maximising cash flows over profits and reinvestments ploughed into the business. The measure of our strategic balance is an attractively low gearing and ability to largely fund expansions through accruals and sustain our finished goods inventory through working capital that can be progressively liquidated as we sell.

Board of Directors: At BCML, we believe that our strategic direction is largely influenced by our Board of Directors. In view of this, we have placed a premium on our Board composition and diversity, which comprises professionals and industrialists of standing. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic quality.

Trust: At BCML, we believe that there is one word that encapsulates what we are and all that we do – 'trust'. We believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide risk capital, why bankers lend and why rural communities support us.

Long-term: At BCML, we have selected to build the business around long-term patience and commitment. This approach has influenced our investments in assets, technologies, people, locations, products and trade partners. We believe that this approach has translated into the highest standards of technology, integrity and competencies.

Singular focus: At BCML, we believe that core competence is the biggest insurance against cyclical downturns. In view of this, we have selected to position ourselves not as much as a standalone sugar company as much as an energy organisation with a sugar manufacturing foundation. This positioning has enhanced our strategic clarity, opened us to emerging sectoral opportunities, attracted knowledge professionals and strengthened product / process research.

Data-driven: At BCML, we are investing in analytics that will progressively generate data-driven ground realities, resulting in informed decision-making. This will mature the organisation to one driven largely by technology-aided information sharing and informed actions.

2 The farmer focus

Overarching focus : The overarching focus at Balrampur is that the Company principally exists for farmer welfare, the spin-off benefits extending to the benefit of other stakeholders. This conviction has been validated during industry downtrends when the Company has continued to pay farmers out of its reserves, protecting their interests and their capacity to maximise cane output.

Impact: *Around 100% growth in the number of farmers addressed between 2011-12 and 2020-21, widening the circle of prosperity*

Locational priority: The Company has selected to enter areas with a high cane yield and output headroom, making it possible to introduce advanced farm practices, enhance yield, increase farmer incomes and deepen a cane cultivation culture in the regions of the Company's presence. The Company's presence has been validated in geographies marked by relatively weak sugar mills, command areas with potential and compact cum proximate command areas .

Impact: *223 bps increase in average recovery from 2011-12 to 11.77% in FY 2020-21 (pre B-heavy diversion)*

Headroom: The Company has focused on the transformation of the regional cane growing eco-system through an investment in early maturing cane varieties that make it possible to clear cane dues earlier than usual and emphasising cane development activities in the command areas. In doing so, the Company has generated a superior recovery over erstwhile cane varieties. Besides, the Company strengthened cane growing culture through a timely payment discipline, proactive investment in additional crushing capacity than the corresponding quantum of available cane (making it possible to complete the crushing quicker in the season and empowering the farmers to plant a second crop) in addition to a number of pioneering initiatives

Impact: *21.89% increase in cane delivered to the Company in the 10 years ending FY 2020-21*

3 How we are reinventing the corporation

Investment: The Company invested ₹621.55 crore in the four years ending 2020-21; 90% of this was invested in the Company's non-sugar businesses

Impact: *The investment is expected to enhance the non-sugar proportion of the Company's revenues*

Revenue portfolio re-balancing: The proportion of sugar is expected to further decline when 320 KLPD capacity has been commissioned

Impact: *The contribution of ethanol has increased from 11.58% in 2019-20 to 14.35 % in 2020-21 to an estimated 30% following the commissioning of its ethanol expansion*

4 De-risking the corporation

Acquisitions: The Company selected to acquire units in East Uttar Pradesh.

Impact: *The acquired units provided the Company with access to attractively sized command areas with large cane growing headroom; these losing units were turned around with speed*

Contiguous: The Company selected to commission plants in contiguous districts or regions, generating economies of respect and recall. The result is that 6 Balrampur plants are within 150 kms of each other or less; 4 plants are less than 100 kms of each other

Impact: *The Company was able to optimally utilise its by-products through inter plant synergies at lower costs*

Geographic focus: The Company selected to specialise in Eastern and Central Uttar Pradesh, a region with a vast operating headroom, without venturing into the traditional cane-growing region of Western Uttar Pradesh.

Impact: *All the Company's revenues were derived from Central and East Uttar Pradesh in 2020-21, indicating terrain, reputational and logistical synergies.*

Business focus: The Company focused on the manufacture of sugar and its derivatives (ethanol and co-generated power) without making any major unrelated diversification that could dilute its focus on the core business.

Impact: *During FY 2020-21, all the Company's revenues were derived from sugar and synergic products, indicating business focus.*

Sizable crushing capacity: The Company invested in sizable crushing capacity – the second largest in the sugar industry – with the objective to inspire increased cane cultivation on the one hand and a desired capacity utilisation that made it possible to complete crushing well ahead of the summer months.

Impact: *The Company reported a capacity utilisation of 88% during the 2020-21 sugar season*

Policy-ready: The Company waited patiently for a favourable turn in government policy towards the sugar industry before investing afresh; it did not engage in sizable capex from 2008 to 2014 years on account of a bleak outlook for the sector.

Impact: *The Company invested ₹621.55 crore from 2018, the largest quantum of spending in any equivalent period in the Company's existence*

Investment: The Company invested ~₹220 crore ahead of the curve in an incinerator in FY 2017-18. This provided the Company with government permission to extend its ethanol operations from 270 days to 330 days in a year.

Impact: *The Company strengthened its environment compliances ahead of the curve.*

5 Funding discipline

Credit rating: The Company has been assigned a credit rating of AA/ (Positive) (rating assigned by ICRA and CRISIL), the highest credit rating assigned to any sugar company in India

Impact: *The improved credit rating helped moderate working capital costs, strengthening profitability*

Leverage: The Company emerged the first among large UP sugar companies to pare long-term debt and gearing to 0.14; it reduced peak working capital outlay from ₹1577.44 crore to ₹891.36 crore in the space of five years ending FY 2020-21

Impact: *Interest cover strengthened from 15.69 to 18.17 in the five years ending FY 2020-21*

Accruals: The Company maximised the use of accruals (as distinct from rights issues or QIP or private placement since 1995) in asset creation

Impact: *Long-term debt stood at ₹362.53 crore as on 31st March, 2021*

6 Cautiously conservative

Selective acquirer: We selected to remain in our known territory and acquired assets commensurate with our managerial bandwidth instead.

Impact: *Each of the acquired units is contributing handsomely to the Company today*

No 'playing' the market: We have adopted a calibrated approach to liquidating our sugar inventory as and when we were allocated export quotas, maximising cash flows in the organisation instead

Impact: *There has been a reasonable predictability in the profits reported from core business activities*

Open positions: We hedged all our forex exposures.

Impact: *We avoided major foreign exchange losses on our books.*

Proactive investor: We did not wait for authorities to tighten environment-related regulations before investing deeper in compliance.

Impact: *We proactively invested in incinerator boilers in our distilleries and made them zero liquid discharge plants.*

Balrampur's 'stretch philosophy'.

Overview

Balrampur's 'stretch philosophy' is designed for the benefit of all stakeholders.

This multi-stakeholder approach ensures a comprehensive value-creation, translating into business sustainability.

This multi-stakeholder approach has helped shape our growth curve: relatively protecting the downside during industry downtrends and maximizing the upside during industry rebounds.

The Company is taking its 'Responsible agriculture' approach ahead through an expansion in its ethanol capacity, which will commence commercial production from the 2022-23 sugar season.

Balrampur's stakeholder family

Vendors

Traders

Customers

Shareholders

Lenders

The Company repaid ₹1204.71 crore of long-term debt and reduced ₹396.64 crore of short-term debt in the ten years ending 31st March, 2021, showcasing a credible and cash-rich company.

Community

The Company invested ₹275 crore in effluent treatment equipment; the manufacture of ethanol (green fuel) and co-generation (green power) has helped make the world cleaner.

The Company spent ₹10.68 crore in CSR initiatives which resulted in all-round development for the community.

The Company is one of India's most valuable listed sugar companies. The Company completed four consecutive buy-backs of equity shares leading to cash flow of ₹643.60 crore (including tax on buy-back of ₹41.93 crore) coupled with dividend distribution of ₹361.58 crore (including dividend distribution tax of ₹52.46 crore) during the last four years.

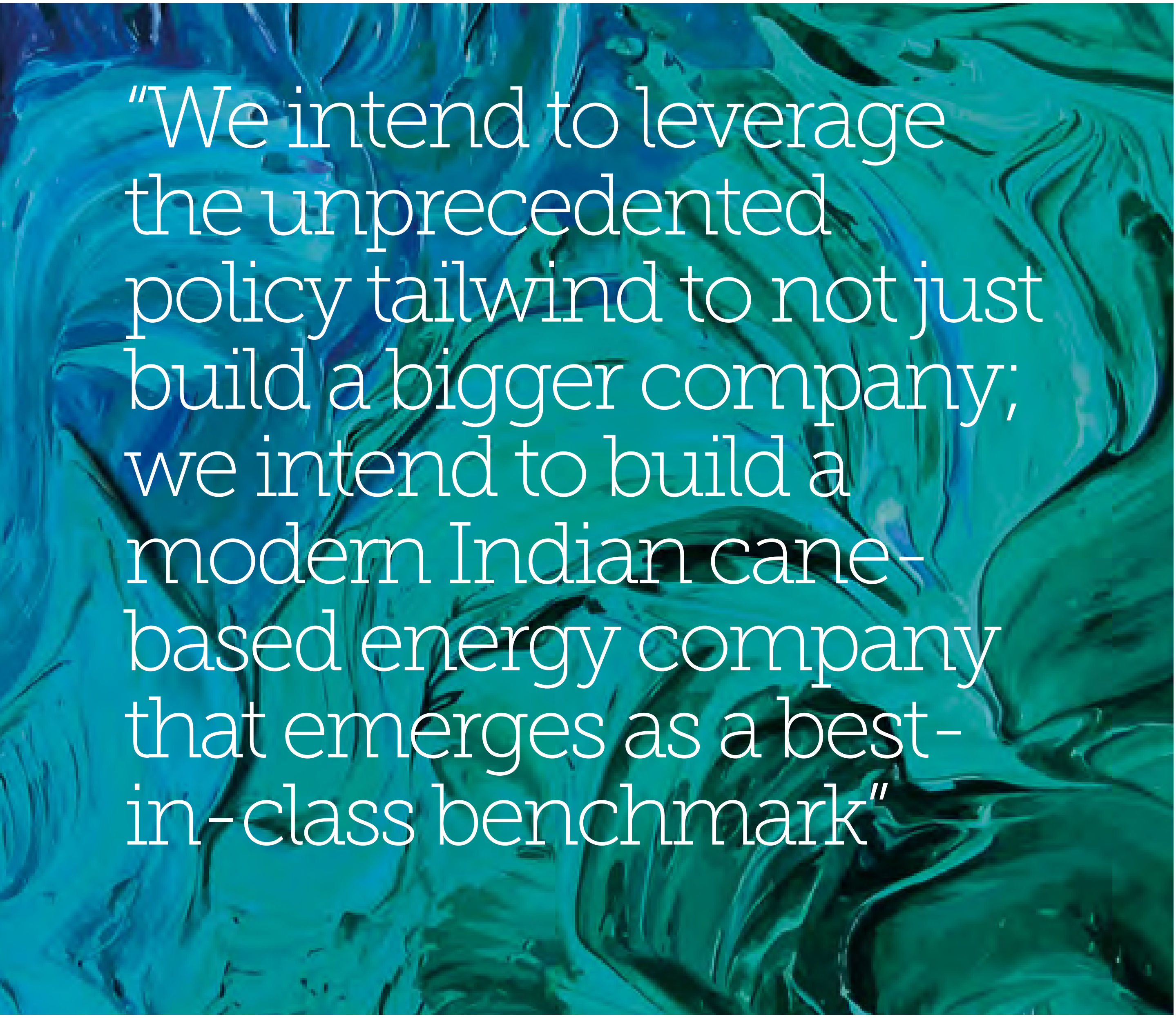
The Company services institutional and retail consumers with a high standard of sugar (less than 100 ICUMSA or better). Institutional customers accounted for ~26% of revenues in 2020-21.

The Company works with intermediaries (brokers) through whom its sugar is marketed across Indian states. The proportion of produce routed through brokers was 95.07% of the Company's revenues in 2020-21.

Capital equipment providers: Invested ₹621.55 crore in equipment from 2018 to 2021-22, helping catalyse the growth of India's capital goods sector.

Raw material providers: Procured more than ₹16114.84 crore of cane in the five years ending 2020-21, one of the largest in India's sugar industry. Remunerated more than 6 Lacs farmers in 2020-21, catalysing rural cash flows. By the virtue of associating with a company like Balrampur, the farmer community has become quasi-partners in the growth of the downstream industry and cleaner environment. Besides, with cane going into strong corporate hands, the value generated per stick of cane has been maximised.

Managing Director's perspective



"We intend to leverage the unprecedented policy tailwind to not just build a bigger company; we intend to build a modern Indian cane-based energy company that emerges as a best-in-class benchmark"

Managing Director Vivek Saraogi explains Balrampur's performance and positioning

In a sector that had for decades been affected by flip-flop government responses that affected the capacity of millers to invest in their business, stability on the policy front has proved to be the biggest game-changer.

Overview

I am excited to present the prospects of the Company for the next few years.

My words have been chosen with care. During the last few decades, the Company's prospects could be forecast for a season or two. This is one of the first occasions when one is optimistic of how the Company is likely to perform across the medium-term.

This enhanced visibility represents a victory of long-term government policy over short-term fire-fighting initiatives.

The entire eco-system of the Indian sugar industry is beholden to the Indian government for putting together a holistic proposition that is good for the farmer, miller, consumer, lender and community.

Seldom has one seen one single policy transforming a multi-decade challenge into a multi-year opportunity with extensive and sustainable downstream influences as the one influencing the sugar industry today. Based on what the policy has already begun to achieve and what it can deliver over the coming years, I have no hesitation in stating that this represents a milestone in the country's agricultural sector.

Policy contribution

If there is one word that encapsulates the spirit of the policy that has transformed India's sugar industry, it is 'stability'.

In a sector that had for decades been affected by flip-flop government responses that affected the capacity of millers to invest in their business, a stable policy clarity has proved to be the biggest game-changer.

There are features to this stability: the government followed up with stable cane prices, removing a large variable affecting the outlook of the business.

The government introduced a minimum support price for sugar, which strengthened the sentiment and stabilised the sugar sector.

The government announced a scheme to support the export of sugar in line within the prevailing WTO-approved mechanism, reducing the country's sugar inventory and helping stabilise the national sugar inventory around a manageable level.

The government announced a National Biofuels Policy in 2018 that enunciated a directional shift in policy and removed apprehensions that these provisions could be revoked.

The government articulated clarity of blending ethanol with petrol to the extent of 20% by 2030, which was subsequently brought forward to 2025 and represents stable medium-term sectorial clarity.

The government announced an interest subvention scheme of 50% for companies intending to commission new or enhanced ethanol manufacturing capacities, enhancing a competitive funding stability.

The government empowered companies to switch from cane to juice to produce ethanol whenever market dynamics warrant, enhancing a stability in resource access and corresponding asset utilisation.

The government empowered oil marketing companies to procure ethanol in growing quantities and achieve a higher blending percentage at systematically announced prices, decoupled from volatility in crude prices, enhancing a stability in planning.

This extensive convergence of proposals provides the Indian sugar industry with a platform to end years of investment abstinence with one of the largest prospective investment outlays.

We believe that this stability represents an inflection point for the sector, benefiting companies that move with speed and decisiveness.

Capitalizing on change

At Balrampur, we are investing more than ₹400 crore in the next year after already investing around ₹200 crore in January 2020 for scaling our distillery business.

The Company intends to invest in ethanol, which is the most evident and unprecedented opportunity. The Company has been attracted by the fact that the government is providing interest subvention on debt, assured offtake and attractive procurement prices for the output. This complement is ideal; as an opportunity-responsive organisation, the Company is engaged in enhancing its distillery capacity from 520 KLPD to 840 KLPD, which should become operational in the 2022-23 ethanol season. This increase in capacity will make it possible for the Company to produce ethanol from juice and sacrifice the entire sugar output at one of its plants. What makes this extension attractive is that the facility will be able to operate on alternative feed stock like damaged/surplus food grains for the production of ethanol during the sugar off-season as well.

We believe that this sizable investment will generate handsome returns with an attractive payback, strengthening our commitment to enhance stakeholder value.

Besides, this investment will enhance environment responsibility and reinforce our position as an industry statesman.

Strategic clarity

At Balrampur Chini, there is a strategic clarity of how we expect to grow across the coming years.

The Company will invest in additional distillery capacity through low cost debt, the terms being almost quasi-equity. The rest of the investments by the Company will be generated through accruals without compromising the prospective earnings capacity of the Company. By the virtue of not loading the Balance Sheet with debt or equity dilution while making the largest investment in years, the Company will be able to generate superior return on shareholder funds.

The Company has resolved to build a resilient business model independent of subsidies and prepare for a scenario post 2023 when there will be no export assistance from Government of India. As a first step towards that reality, the Company intends to 'sacrifice' around 20% of its sugar production in exchange for increased ethanol output. We believe that the moderation of our sugar output will make the Company less dependent on the need to export or seek related government subsidy support. Besides, we see a progressive 'sacrifice' in the national sugar output moderating the industry surplus to around three months of consumption. At this level, we believe that sugar realisations will have strengthened to point where the core operations will become increasingly profitable and all the businesses of the Company will begin to contribute attractively to the bottom-line.

The Company will progressively seek opportunities to maximise ethanol production. The Company intends to increase distillery revenues from 14.35% of the Company to 30% within the space of the next three years, moderating its revenue mix away from sugar and de-risking the Company.

The Company will deepen its compliance in the ESG segment of the business. The Company will strengthen its investment in environment management technologies, compliances, certifications, competencies and protocols, validating the safety of its operations in the interests of all stakeholders.

The Company will invest in modernisation and a different way of doing business in a conventional sector, drawing a new generation of professionals and creating entrepreneurial leaders at every level.

Conclusion

At Balrampur Chini Mills, we see the unfolding sectorial reality around us with optimism.

The sector is being fundamentally transformed; the Company is being correspondingly reinvented.

Across the coming years, we intend to leverage the unprecedented policy tailwind to not just build a bigger company; we intend to build a modern Indian cane-based agriculture company that is a best-in class benchmark.

Vivek Saraogi
Managing Director

As an opportunity-responsive organisation, the Company is engaged in enhancing its distillery capacity from 520 KLPD to 840 KLPD, which should become operational in the 2022-23 ethanol season.

The Company will progressively seek opportunities to maximise ethanol production. The Company intends to increase distillery revenues from 14.35% of the Company to 30% within the space of the next three years, moderating its revenue mix away from sugar and de-risking the Company.

Part Three

Balrampur is investing in additional ethanol capacity with the objective to enhance profitability

At Balrampur, 'stretch' is reinventing our Company

Overview

A sweeping transformation in the way technologies are evolving is influencing the size, and scope of companies, Balrampur included.

During the last few years, the Company embarked on a number of initiatives to reinvent its positioning as an effective sugar company.

Singular identity

There is a greater focus on the creation of a common pan-organisational identity, culture and decision-making platform – 'One Balrampur' – across operating units. The Company intends to evolve the focus of its ten manufacturing facilities into shared BCML pride, where their effectiveness would be derived from how well the Company performed as a whole, as opposed to how effectively their unit delivered to the overall corporate output.

New organisational architecture

The Company engaged a globally respected management consultancy to design a contemporary organisational architecture that would be professional, systems-driven, delegated, multi-level leadership presence, professionalised people engagement practice, data-based meritocracy and accepting change well before overdue.

Governance

The Company intends to create a governing platform comprising senior executives that operates like a 'Shadow Board' with the objective to evolve the organisation from promoter-driven to professionally managed, broad basing a culture of informed decision-making and liberating the senior management to dedicate more time towards driving the strategic direction.

The Company will increasingly gravitate towards factfulness, invest in technology accelerators (SAP S/4 HANA) to transform the organisational culture.

Culture of change

The modern Balrampur is ensuring that all voices are heard, captured, classified and escalated for informed decision-making. The Company will increasingly gravitate towards factfulness and invest in technology accelerators (SAP S/4 HANA) to transform the organisational culture.

Benchmarking

The Balrampur of the future is being driven by a 'I know so' perspective over 'I think so', catalysed by a culture of best practices shared across plants. Besides, this culture will be deepened by the acceptance of standard operating protocols, digitalisation, audit conformance, informed decision making and a combination of manual and automated controls.

Integration

The Company extended its operations from the standalone manufacture of sugar to the utilisation of by-products and waste to manufacture downstream products like ethanol, co-generation and fertilisers – 22.34% of revenues from non-sugar products in 2020-21. The Company invested in technology to produce potash from ash generated at its three distilleries to be used as an agri-input. The Company intends to increase ethanol production through cane juice route and through B-heavy molasses route in addition to run one of its distilleries using grain during the off-season.

Focused projects

The Company piloted projects on plant and spares maintenance with the objective to enhance plant uptime and moderate spares inventory. The Company reinforced its culture of cane development with modern technology interventions (geo-tagging and satellite mapping) leading to accurate farm output estimation.

Compliances

The Company deepened its environment practices (Zero Liquid Discharge mechanism, moderating water consumption and recycle to the maximum), reinforcing its responsibility.

Cash flow focus

There will be a greater focus on maximising cash flows over cash profit and sustainable liquidity over immediate profitability. This will be derived from a consistent discipline in avoiding speculative positions and liquidating all allocated quotas (domestic and export), enhancing organisational stability.

A structural shift is transpiring in India's biofuel sector

This shift promises to transform realities for the sugar industry focused on ethanol manufacture as well

Overview

Clean energy. Just two words.

But they are transforming India faster than ever.

They are inspiring the Indian government to encourage investments in clean and renewable resources.

The country's sugar industry has emerged as one of the potent drivers of this landmark transformation.

The government introduced landmark initiatives to connect a vast agrarian sector on the one hand with modern society's needs of clean air cum energy on the other.

In view of this, the Indian sugar industry is expected to emerge as an agricultural model on what is good for vendors, lenders, employees, consumers, country and the world.

The last three years have been the most decisive for the Indian sugar industry. During this period, the government helped create a robust non-sugar platform for the sector with the objective to diversify risk, enhance revenue stream, contribute to national energy security and make the world cleaner. These four priorities were addressed at the landmark National Biofuel Policy of 2018.

The Policy

The fact that the government created a full-fledged policy to address the growing role of bio-fuels within the country's economy represented more than mere initiative: it represented a landmark strategic direction for the product within the country. The fact that bio-fuels had been retrieved from a side-discussion on the national platform with a dedicated policy, represented the seriousness of the government's intent to carve out a win-win proposition around bio-fuels. The principal highlight of the Policy was the government's decision to increase the proportion of ethanol in petrol to 20% by 2025.

The seriousness

Even as the announcement of the Policy was by itself a signal of the long-term direction of the government's seriousness related to bio-fuels, the government's subsequent responsiveness to plug gaps and strengthen the value proposition served to enhance industry interest in increasing investments in ethanol manufacture. The government embarked on a number of initiatives to strengthen the Policy through timely interventions, resulting in a pro-industry policy that is expected to enhance a win-win proposition for all stakeholders.

When it became increasingly apparent than even at an optimistic level, the increase in ethanol manufacture would be inadequate to meet the country's 20% blended appetite by 2030, the government introduced a new version of the Biofuel Policy, permitting the use of cane juice, B-molasses, maize surplus and damaged food grain as feedstock.

The course corrections

The impetus of the Indian government favouring ethanol manufacture can be summed up in the measures following the Policy.

One, when it became increasingly apparent than even at an optimistic level, the increase in ethanol manufacture would be inadequate to meet the country's 20% blended appetite by 2030, the government introduced a new version of the Biofuel Policy, permitting the use of cane juice, B-molasses, surplus and damaged food grain as feedstock.

Two, the government incentivised investments in ethanol manufacture through a revised ethanol pricing formula; the government made a significant departure from its long-standing convention of linking ethanol procurement prices with crude oil prices; in 2020-21, even as crude oil prices declined, the government increased the procurement price for ethanol, an unmistakable enunciation of policy seriousness.

Three, the government did not just announce an increased target in the blended proportion; it also announced a phased 10% decline in the country's quantum of oil imports by 2030, enhancing national energy security, reducing dependence on hydrocarbons and moderating the country's fuel import bill. It also preponed its target of meeting 20% blending of ethanol to 2025.

Four, the government began to extend from overarching policy announcement to nitty-gritty; it simplified the tender process for OMCs to buy from ethanol producers; it created a five-year vendor list that enhanced manufacturer clarity; it entered into a dialogue with the automobile sector on proactive engine overhaul and preparedness for increased ethanol blending; it activated periodic inter-ministerial meetings to address issues with speed, monitored / reviewed at the highest level.

Five, while petrol is subject to excise duty, GST is levied on ethanol. The government reduced the applicable GST on ethanol from 18% to 5% and introduced an interest subvention scheme for proposed investments in cane and molasses distilleries; in 2019, most States removed controls on ethanol movement/levies; in 2020, the Interest subvention scheme was reintroduced for cane/molasses.

Six, the government designed an unprecedented Tripartite Agreement between millers, OMCs and banks to enhance visibility and comfort to all stakeholders to facilitate the setting up of new distilleries (amount from OMCs transferred to an escrow account for repayment).

The message

The last three years have showcased not just the ability of the government to chart out a direction to attract increased investments into the sector, but also the government's resolve and periodic engagement to course-correct, enhance Policy relevance and graduate the country into a cleaner tomorrow.

6 pillars of the ethanol-isation of India's sugar industry

1 **Support to farmers through attractive cane prices**

Impact: Increased cane planting; higher rural incomes

2 **Strengthen prospects for millers**

Impact: Enhanced cash flows; re-initiate the industry investment cycle

3 **Plug decline in crude oil import with increased ethanol output**

Impact: Create an ethanol appetite for 20% of all oil consumption

How the Biofuel Policy 2018 represents a win-win benefit for all stakeholders

Farmers
Incentive to raise more cane and increase revenues

Millers
Incentive to de-risk the business through profitable ethanol manufacture

OMCs
Wider access to environment-friendly resource

Bankers
Higher proportion of performing assets

Employees
Greater employment security

Statements made by the Indian Prime Minister, FY 2020-21

"The government is emphasizing on increasing the use of ethanol to reduce pollution caused due to petrol. Five years ago, India used to produce only 40 crore litres of ethanol. In five years the production has become 5x more to 200 crore litres of ethanol, which is proving to be very helpful towards the country's environment."

- Mr Narendra Modi

"The Narendra Modi government is encouraging sugar mills, distilleries, and entrepreneurs to expand distillation capacities as part of its efforts to meet its target of 10% blending of fuel-grade ethanol with petrol by 2022. The government is extending financial assistance by way of interest subvention for five years at a maximum rate of six per cent interest for loans availed of by sugar mills, entrepreneurs and distilleries, from banks in this regard."

- Mr Narendra Modi

4 Improve the environment

Impact: Ethanol blending to moderate auto emissions

5 Multi-resource feedstock

Impact: Increased asset utilisation in non-sugar production months

6 Introduction of BIS standards

Impact: Index of the government's sectorial seriousness

Shareholders
Superior valuation

Government
Lower forex import bill

Auto sector
Recognised as progressive

Society
Cleaner ambient air

"Earlier there was the option either to produce sugar or jaggery from cane. But with the priority given to ethanol production, farmers' incomes will also rise and create employment opportunities."

- Mr Narendra Modi

Union Minister Nitin Gadkari accorded permission to auto makers Bajaj and TVS for making vehicles that run using 100% bio-ethanol made out of rice and wheat straw. A part of the surplus rice with the FCI, as determined by the government, could be diverted towards ethanol.

- Mr Nitin Gadkari

"Last year, ethanol blending of petrol saved about ₹4000 crore in foreign exchange that would have been spent on imports. The target of the government is to increase this saving to ₹12000 crore in four years. Moreover, in the next four years we can make ₹20000 crore just by producing ethanol from sugarcane. With this saving and an alternative to sugarcane, the sugarcane farmers will be ensured of a permanent solution to their recurrent problems. Ethanol is saving money. Besides, it will also reduce the toxic gases that generate from petrol. The government is working towards developing the capacity of blending ethanol with petrol up to at least 10% by 2022 and at least 20% by 2030."

- Mr Narendra Modi on World Biofuels Day

Analysis

Why ethanol appears to be one of the most attractive sectors in India

Large and growing need

Inadequate supply

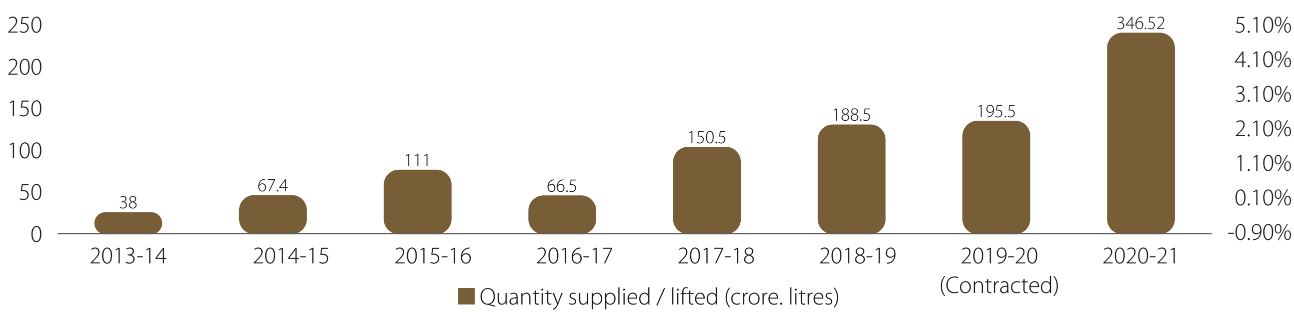
Firm buyer with a large product appetite

Procurement prices increased by the government

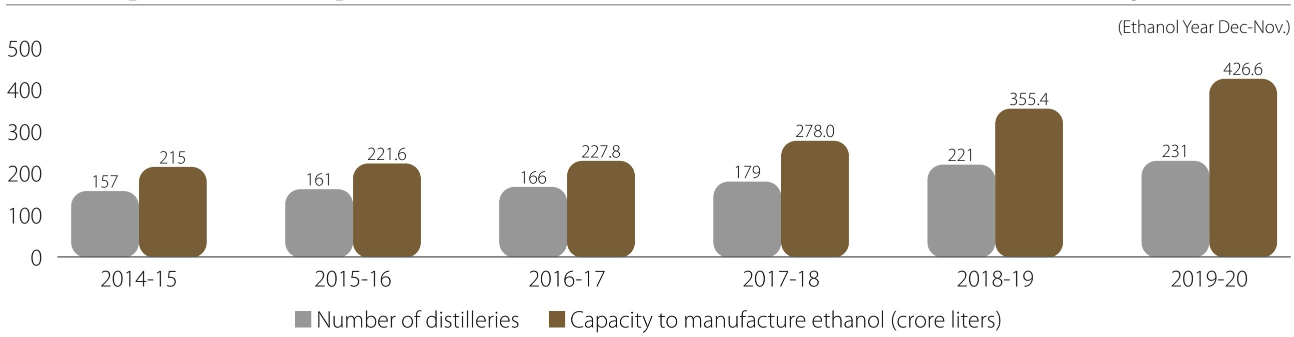
Ethanol: Part of a long-term growth phase

Even as ethanol supplies have increased substantially in the last six years, the product appears to be at the cusp of an attractive and sustainable break-out. This indicates that the ethanol sub-segment of the country's sugar sector could well be among the fastest growing business segments across the foreseeable future.

Ethanol supplies increased 5x in six years



Ethanol production capacities doubled and distilleries increased 40% in four years



India: Large operating headroom

There is a large operating headroom for ethanol in India. India's ethanol consumption by quantum is considerably lower than other major economies, indicating a room for growth. India's ethanol consumption is estimated at less than half of China and around 3% of the consumption of USA. There is a growing conviction that this under-penetration will correct with speed across the foreseeable future, considering that an encouraging policy is now in place and that India is one of the largest producers of cane in the world

Country-wise fuel ethanol production in 2018

Country	In crore Ltrs
USA	6080
Brazil	3070
EU	476
China	400
India	190
Thailand	147
Others	461
Total	**10824**

World feedstock use for fuel ethanol production in 2018

India is attractively placed as far as cane-based ethanol is concerned. The country is the one of the largest cane producers in the world, encouraged by attractive cane prices announced by the government and the revolutionary cane varieties that enhanced farm yields. The sharp increase in cane output in the last few years provides India with an unprecedented opportunity to leverage cane abundance for the downstream manufacture of fuel ethanol.

Feedstock	Feedstock used (in crore tons)	Ethanol produced (in crore Lts.)
Grain	17.42	6750
Sugar cane	40.29	3850
Sugar beet	0.94	94
Cassava chips	0.41	136
Total	**59.06**	**10830**

Country-wise rates of ethanol in 2020-21

The decisiveness of the Indian government's pro-ethanol policy is visible from the procurement prices announced for ethanol. These prices have been raised upwards – higher than global realisations - with the objective to provide ethanol manufacturers with enhanced profitability that would then be available for reinvestment – creating a virtuous cycle for the manufacture of the product.

Country		(USD/ltr.)
USA		0.613
Brazil		0.606
Thailand		0.684
India	Sugarcane route	0.865
	B-molasses route	0.795
	C-molasses route	0.630
	Damaged grains route	0.712
	Surplus rice with FCI	0.785

Country-wise blending mandates targets

India announced an ethanol blending target of 10% by 2022 and 20% by 2025. India is presently at around 8.2%, possibly the lowest among countries indicated in the table. This indicates that India will have a lot of catching up to do to get to its milestoned deadline by 2022 and thereafter to 2025.

Country	%
USA	15
Brazil	27
EU	10
China	10
Thailand	25
India	20

Large room for increased ethanol output

Even as the ethanol sector has grown attractively in the last few years and is expected to sustain this momentum, there is a possibility that the country's capacity to deliver could be lower than its production going into the future.

Required capacities – in crore litres.

Current & required capacities	Molasses/ cane based	Grain-based	Total
Ethanol/alcohol supply required in 2030	700	700	1400
Current ethanol/alcohol capacity	426	260	686
Capacity to be added	274	440	714

The story of ethanol across the decade

Pre-2014

2002

Blending started but not mandatory

2007

Mandatory 5% blending; government-fixed ethanol price

2011

Fixed pricing policy reversed to pricing through tender

Conclusions

- Problems because of frequent policy changes
- Unstable pricing policy for ethanol
- Central excise duty @12%
- Multiple taxes by States
- State controls on movement

Pre-2020

2014

Fixed ethanol procurement pricing again

2016

Amended Industries (Development & Regulation) Act, 1951, to stop State control on ethanol movement/taxes

2018

- GST on ethanol reduced from 18% to 5% from July 2018
- New Biofuel Policy: Allowed cane juice, B-molasses, maize, surplus & damaged food grains etc. Targets of 10% blending by 2022 and 20% by 2030
- Interest subvention scheme for cane & molasses distilleries
- Ethanol pricing formula, with multiple ethanol prices linked to raw material price, and not to crude oil price

2019

Most States removed controls on ethanol movement/levies

2020

- Interest subvention scheme reintroduced for cane/molasses
- Regular inter-Ministerial meetings to solve problems
- Monitoring/ reviews by Pr. Secretary and Pr. Adviser to Hon'ble PM

Outcomes

- Stable pricing policy for ethanol
- Lower State controls on movement
- Increase in loan sanctions to intending ethanol producers
- Tri-Partite Agreement (TPAs) between mills, OMCs and banks
- Capacity expansion by existing distilleries exempted from Public Hearings
- Incineration boiler or incidental increase in ethanol production due to sugar-rich raw materials,
- Exempted from amending Environment Clearance certificates (EC)

Balrampur, 'stretch' and ethanol

At Balrampur, 'Stretch' is not a philosophy that we lived in the past.

It is what we are doing today to graduate Balrampur into the next orbit tomorrow.

At the heart of these initiatives lies one word.

Ethanol.

At Balrampur, we see ourselves at an inflection point

Until 2015, Balrampur was largely a sugar company.

Majority of the Company's gross block had been invested in sugar manufacturing assets.

In 2019-20, the Company embarked on increasing its ethanol manufacturing capacity from 360 KLPD to 520 KLPD.

In 2020-21, the Company announced a further increase in this ethanol manufacturing capacity to 840 KLPD.

Balrampur, ethanol and responsibility

Maximising returns per stick of cane

The result is that the Company has embarked on more than doubling its ethanol capacity within the space of just three years.

This indicates a decisive extension of the Company's strategic direction: from a predominant focus on a commodity towards clean and renewable energy.

At our Company, we do not just see this as a linear investment; we see this as a transformation in our DNA.

Broadbasing the products portfolio

De-risking the organisational pyramid

Addressing the needs of a progressive world

Balrampur's distillery expansion to 840 KLPD represents one of a kind by any sugar company in India

One of its kind of expansion

In January 2020, Balrampur commissioned a 160 KLPD distillery at Gularia. Within less than nine months, the Company announced a capital investment of ₹425 crore to commission a 320 KLPD distillery at its Maizapur unit. The proposed investment is expected to commence commercial production in time for the 2022-23 Ethanol cycle.

The investment, one of the largest in the ethanol business of the Company, is expected to be commercialised from December 2022. When complete, this investment will have graduated Balrampur to a manufacturer of a significant volume of ethanol (840 KLPD) in Uttar Pradesh and India.

Economies of scale and flexibility

At Balrampur, we are optimistic that this expansion will transform the Company's economies of scale and flexibility.

The Company's expansion of 320 KLPD at a single location (Maizapur) will be the largest single unit at one of our locations, strengthening our economies of scale from the day the unit is commissioned.

The unit will be invested with infrastructure to accommodate diverse feedstock, enhancing capacity utilisation. The Company will be empowered to consume surplus grain of diverse kinds, available in proximity in abundance, enhancing capacity utilisation.

Besides, the Company will strategically restructure the operations of the Maizapur unit, selecting to consciously 'sacrifice' the entire sugar production in favour of ethanol (from sugarcane juice). The combination of these two initiatives is expected to enhance capacity utilisation on the one hand and strengthen the amortisation of fixed costs on the other.

By the virtue of an investment in incinerator boilers and zero liquid discharge systems, the greenfield plant will be statutorily permitted to operate for 350 days and should be able to produce ~11 crore litres of ethanol in a normal year's operations.

By moving the product mix away from sugar, the Company is expected to reduce its dependence on the government's incentivised sugar exports.

Ethanol as a part of our business mix, FY 2020-21

Revenues

825.51
₹ crore, revenues from distillery operations in FY 2020-21

549.09
₹ crore, revenues from distillery operations in FY 2019-20

Segment profit

341.06
₹ crore, profit from distillery operations in FY 2020-21

261.46
₹ crore, profit from distillery operations in FY 2019-20

The ethanolisation of Balrampur is expected to transform the Company's DNA

Overview

The announcement of the Biofuel Policy of 2018 represents a landmark in the history of the Indian sugar industry.

From a broad perspective, the policy provides an encouraging long-term direction to the country's sugar manufacturers to maximise value per stick of cane through a synergic diversification into the manufacture of ethanol.

The policy and subsequent action provides flexibility to sugar manufacturers to allocate their cane away from sugar manufacture towards ethanol production (whenever required), moderating the probable sugar excess within the country and enhancing the availability of ethanol for onward fuel blending – a win-win proposition.

Narendra Modi, the Indian Prime Minister, indicated that what used to be a supply of a mere 38-40 crore litres of ethanol in 2015 had increased to 190 crore litres in 2020, indicating the success of the government direction.

Balrampur has chosen to respond to this inflection point in policy with a structured long-term strategic direction.

Revenue mix

The proposed investment in a 320 KLPD capacity is expected to initiate the re-balancing of the Company towards non-sugar revenues. The full impact of the Gularia distillery helped increase the proportion of distillery revenues in the Company from 9.94% in 2019-20 to 14.35% in 2020-21; the commissioning of the Maizapur distillery is expected to increase the ethanol proportion in the Company's revenues accordingly.

Revenues

14.35
% of revenues from distillery operations in FY 2020-21

9.94
% of revenues from distillery operations in FY 2019-20

Segment Profit

49.86
% of profit derived from distillery operations in FY 2020-21

39.71
% of profit derived from distillery operations in FY 2019-20

Scale

The Company followed up on its 160 KLPD distillery commissioned in January 2020 with the announcement of an investment in possibly the largest dual feed-stock-based distillery in India (320 KLPD) in November 2020.

The distillery investment announced in 2020 represents the first greenfield investment in the business since 2007. Following years of examining industry realities and waiting for the right environment, the Company responded with speed when the opportunity emerged: the additional capacity will be commercialised in 2022, indicating the Company's responsiveness in the face of a favourable long-term industry environment.

Sizing

The Company selected to commission a greenfield 320 KLPD distillery at its Maizapur location. When commissioned, the sizing of the two capacities at the plant – sugar and ethanol - could emerge as a model, indicating the possibility of relatively modest sizes of cane crushing capacity to generate a sizable ethanol output. In turn, the success of this model could validate that large cane crushing capacities are not needed to establish well-sized ethanol capacities, reducing the payback period and maximizing profitability.

Resource allocation

The Company intends to make a significant departure from the past in its resource allocation. For years, the Maizapur unit consumed all its cane for the manufacture of sugar. From 2022-23, the unit will consume all its cane for the manufacture of ethanol, reducing the Company's sugar production. The Company will however retain the flexibility to move back to the production of sugar at the unit should improved realisations make it more profitable to manufacture sugar over ethanol. We believe that this flexibility will drive the Company's focus on maximizing RoCE and value per cane stick.

Customers

The Company will service the growing needs of India's large oil marketing companies (HPCL, IOC and BPCL). Besides, the Company has been engaged in this business for a quarter of a century and possesses the necessary experience to grow it. The Company's workforce consists of a number of professionals – technical, manufacturing, quality and marketing – who possess a rich understanding of having been engaged in the Company's ethanol business for over 25 years. This represents a robust foundation for the Company to grow its business.

Capability

The Company demonstrated its capability in growing the ethanol business through the successful commissioning of the Gularia plant in early 2020. The plant achieved rated capacity utilisation within 30 days of commissioning and reported a peak utilisation of more than 100%.

Competitivenes - 1

Balrampur is building a competitive long-term ethanol platform

Overview

At Balrampur, we are optimistic of building a sustainable ethanol platform that provides an effective organisational de-risking away from sugar on the one hand and enhances stable revenue visibility on the other.

We believe that increased ethanol revenues will provide predictability in the Company's profits and thus improve multi-year stakeholder confidence, an unprecedented reality in a sector generally described as 'commodity'.

Policy-independent

The Company expects that enhanced stability will be generated from the fact that the sector and company will no longer be dependent on the government's sugar export policy (season to season) to evacuate excess sugar out of the country's inventory pipeline. By the virtue of providing millers with the flexibility to move from the production of sugar to ethanol, the government has provided the sector with the flexibility to transform a sectorial challenge (sugar excess) into an opportunity (ethanol manufacture). Besides, this policy-induced flexibility is in line with the WTO mandate to move the sugar sector from government control towards market reality.

Competitive advantage

The Company intends to invest ₹425 crore to commission 320 KLPD of additional distillery capacity. Following this commissioning, the capital cost per litre for the consolidated 840 KLPD post-expansion blended capacity is expected to decline from ₹1.2 crore per KLPD to less than ₹1 crore per KLPD at a time when the prevailing cost of greenfield capacity creation is around ₹1.35-1.40 crore per KLPD. This cost-effective capacity accretion is likely to make the expansion profitable from the first year of its commissioning, shrinking payback.

Large addressable market

The Company enjoys access to a virtually unlimited market. At 20% blending of ethanol, the national ethanol demand is likely to be 1000 crore litres as against a prevailing national distillery capacity of 426 crore litres in 2020-21. At a 10% blending rate, the ethanol demand is estimated at about 457 crore litres per annum, higher than the industry's capacity to supply based on the existing outlook.

Competitivenes - 2

Balrampur's ethanolisation will enhance liquidity and profitability

Overview

At Balrampur, we believe that by enhancing our ethanol capacity, we are not just building a larger company but also a more profitable one. This enhanced profitability will manifest in higher revenues, optimum cost absorption, leaner Balance Sheet and a stronger Profit & Loss account.

Profitability

The Company believes that the increase in ethanol capacity will enhance profitability in various ways: shifting the product mix away from sugar during phases of weak sugar realisations (and vice versa) on account of the fungible manufacturing capacity of the Maizapur unit.

Utilisation

The Company will be able to enhance the proposed distillery utilisation from five months to 11.5 months on account of its ability to accommodate diverse grain stock (as opposed to the singular use of cane that would be available for only five months of the year). The ability of the plant to amortise costs more effectively on account of the increased utilisation - operate on cane juice for five months and six months on grain – is expected to enhance asset return and viability.

Financial hygiene

The Company will enhance its liquidity following the commissioning of its ethanol capacity. The receivables associated with the ethanol business are around 30 days as against a working capital cycle that can potentially stretch for 15 months. The sharp decline in the receivables cycle is expected to moderate working capital outlay (short-term debt) and strengthen interest cover, credit rating, margins and profits. Besides, the Company's peak working capital requirement is expected to decline from ₹1500 crore to ₹500 crore; the Company could be completely free of working capital debt in five years, making it possible to grow the Company entirely through accruals.

Low debt cost

The Company's ethanol capacity is being funded with ₹220 crore of debt priced at a concessional rate of interest. The debt will need to be repaid in 5 years, which makes it quasi-equity, providing a wider profit spread and a projected payback of less than four years.

Part Four

How 'stretch' is a long-standing tradition at Balrampur, reflected in operational outperformance

Cane management

Sugar manufacture

Our operations

Distillery operations

Power co-generation

Stretch case study #1

'Stretch' prevailed.

IN THE EARLIER YEARS, THE SPRING PLANTING OF CANE WOULD BE DELAYED. THE RESULT: A DECLINE IN FARM YIELD AND PLANT RECOVERY.

Balrampur announced a focused agenda: to accelerate the planting of autumn cane, providing the Company with the launching pad of a superior cane resource that would influence the efficiency of all downstream operations.

The Company created a 700-member team to engage with farmers. To widen the circulation of pamphlets. To enhance the visibility of communication videos.

The enhanced urgency paid off.

The proportion of cane planted under spring planting by 31st March increased from 30% in 2020 to 70% in 2021; the proportion of autumn planting completed by 20th November increased from 4500 hectares in 2019 to 14000 hectares by 20th November, 2020.

Besides, the Company convinced farmers about the enhanced profitability that could be generated if they switched from long maturing crops in the non-cane season to those with quicker maturity that would help them clear their fields in time for planting cane. The Company counselled them to plant the early maturing and mustard varieties. The early harvesting of these crops would help in early planting of sugarcane leading to higher farmer yield and higher recovery for the Company.

These initiatives enhanced throughput quantity and quality for the farmers; they enhanced operating margins for the Company.

'Stretch' prevailed.

Stretch case study #2

'Stretch' protected

FOLLOWING THE OUTBREAK OF THE COVID-19 PANDEMIC, ONE OF THE FIRST FEARS IN THE SUGAR INDUSTRY WAS A PROBABLE DECLINE IN THE AVAILABILITY OF VITAL FARM INPUTS (CORAZEN PESTICIDE, GRANULAR POTASH TRICODERMA, HEXASTOP AND OTHER IMPORTANT AGRI-INPUTS USED BY FARMERS).

Farmers feared that a sustained delay in the application of these inputs could translate into lower pest control, increased crop loss and lower throughput.

Balrampur responded with speed to the emerging reality.

The Company co-ordinated with various government departments to generate permissions for the movement of their vehicles – from the factories manufacturing these crop inputs on the one hand to the delivery of these inputs to farmers on the other.

The result of this proactive responsiveness was that these vital farm inputs were delivered to farmers just when they needed them; besides, the Company delivered a larger quantity than what was immediately required, enhancing farmer confidence.

The result is that farm output remained protected; the hard work with which farmers had planted their cane continued to be validated.

'Stretch' protected.

Stretch case study #3

'Stretch' facilitated

BALRAMPUR IS SIGNIFICANTLY PRESENT IN EAST UTTAR PRADESH, REGIONS MARKED BY FRAGMENTED LAND HOLDINGS AND RELATIVELY WEAKER FARM OWNERS.

The visible downside of this reality is that farmers have, over the years, been unable to make a selective switch from manual to mechanised farm interventions.

Balrampur embarked on a concerted initiative to graduate farmers towards phased mechanisation within its command areas.

The Company inspired mechanisation through the use of various agri-implements like HB Plogh, rotavators, sub-soilers and small tractors for inter-culture operations, trash mulchers, mounted spray machines and ratoon management devices.

The results were attractive for the farmer: the quantum of labour required to sustain field operations declined and cane output increased.

Besides, the upside extended to the Company as well: crushing volumes and recovery increased.

This movement towards mechanisation has had an unforeseen benefit: there has been a shift in the eco-system mindset towards superior technologies.

The awed whisper that our executives picked up from within the farmer community was *'Aajkal machine se achcha kaam karva rahe hain.'* Another farmer summed it succinctly: *'Maahaul badal raha hain.'*

'Stretch' facilitated.

Stretch case study #4

'Stretch' inspired

A FARMER GENERATES CANE FROM SEED IN ONE SEASON AND IN THE FOLLOWING SEASON IS ABLE TO UTILISE THE CANE LEFT-OVER (RATOON) TO RE-PROPAGATE THE STICK.

During the first year, the farmer expended in the purchase and planting of the cane; in the season, the ratoon was considered as a free resource.

At Balrampur, we could sense an opportunity: if the ratoon was nursed with care, output could improve.

The Company engaged deeper with farmers on the subject. It advised. It advocated. It demonstrated.

The Company's initiatives extended from inter-cultural operations to trash mulching to improved fertiliser application.

Something interesting began to transpire. Ratoon yields improved. Farmers began to generate a higher ratoon income.

Suddenly the farmer is seeing the benefits of a moderate increase in effort being compensated by disproportionate increase in revenues.

In turn, this is translating into a relatively higher cane volume being available for crushing to the Company, strengthening economies of scale.

'Stretch' inspired.

Stretch case study #5

'Stretch' future-proofed

THE MOST REMARKABLE CANE VARIETY SUCCESS IN DECADES IN UTTAR PRADESH'S SUGAR INDUSTRY HAS BEEN THE CELEBRATED CO 0238.

This single variety increased farmer yields, throughput and incomes, kick-starting a virtuous cycle of farm reinvestment and lifestyle transformation.

The usual thing in the circumstances would have been to stay for as long as possible with this out-performing cane variety.

At Balrampur, we took a differentiated perspective.

We recognised the potential downside of an excessive dependence on a single cane variety. We recognised the threats that could arise out of getting complacent with existing technologies and not seeking improvements .

Balrampur embarked on broad basing its resource foundation: the Company introduced an extensively researched alternative cane variety (CO 0118); it identified suitable land pockets where this cane variety could be most compatibly applied; it enunciated a three-year vision of planting and propagation that would enhance coverage to nearly 30% across its command areas.

Balrampur validated its ability to map emerging ground realities, access a superior seeds portfolio and keep farmers ahead of the industry curve .

'Stretch' future-proofed.

Stretch case study #6

'Stretch' empowers

AT BALRAMPUR, WE BELIEVE THAT SUCCESS IS DERIVED THROUGH 'STRETCH' TARGETS THAT MAKE IT POSSIBLE TO EXTEND THE FRONTIER

Over the decades, we invested in an outperformance culture derived from a respect for fine detail.

The result is that we don't just plan at the Company'we plan well in advance. For instance, the engagement with farmers on the March-to-May planting schedule commences as early as the previous November.

This engagement covers more than 6 Lacs farmers across the Company's ten command areas spread across East and Central Uttar Pradesh. The objectives: cover every single farmer, understand the quantum of land area likely to be allocated for cane and when the cane from that farm would be planted by the grower.

Similarly, indents for agri inputs required by growers are taken in advance and distributed on time coupled with relevant training.

This extensive engagement is then 'broken down' systematically into team responsibilities and individual day-by-day schedules, enhancing a predictability of timely coverage.

The result of this meticulous planning is that the planting of the early maturing paddy variety (as advised by Balrampur) helped farmers clear their land holding for an earlier planting of cane by 20 days, a critical differentiator in enhancing precious cane sucrose content.

'Stretch' empowers.

Stretch case study #7

'Stretch' graduates

AT BALRAMPUR, WE RECOGNISE THAT THE ONE SIGNIFICANT TRANSFORMATION THAT HAS TRANSPIRED OVER THE LAST DECADE HAS BEEN IN THE WAY FARMERS SEEK TO COMMUNICATE.

The face-to-face engagement works to a point; thereafter, the mobile app takes over.

In 2021, Balrampur recently launched a mobile app to engage with more than 6 Lacs farmers across its command areas.

The mobile app enables farmers to seek the cane team's assistance on challenges related to crop health, agri inputs and incidence of insects, pests and disease. Following a farmer's engagement on the app, a representative of the Company's cane department visits the grower's plot to examine and address the challenge. The app also advises on various types of agri practices coupled with weather advice, renting of agri implements by centers and other relevant information.

The result is that the mobile app is fast transforming into a farmer's virtual friend-philosopher-guide.

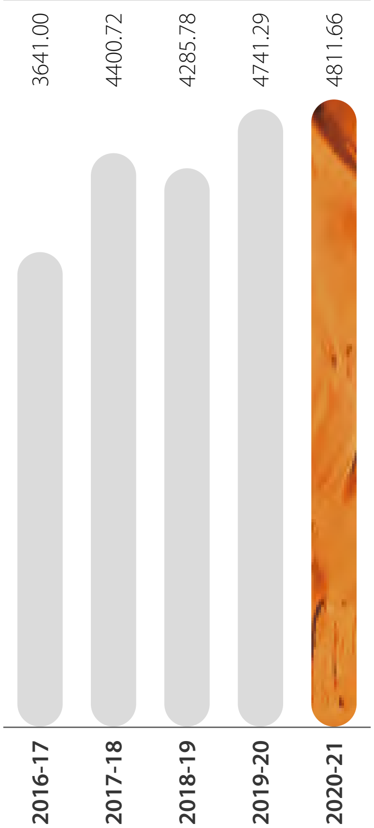
More than that, it is transforming a farmer's mindset: towards immediacy, efficiency and productivity.

'Stretch' graduates.

Financial highlights, 2020-21

Revenues

(₹ crore)



Definition

Growth in sales

Why is this measured?

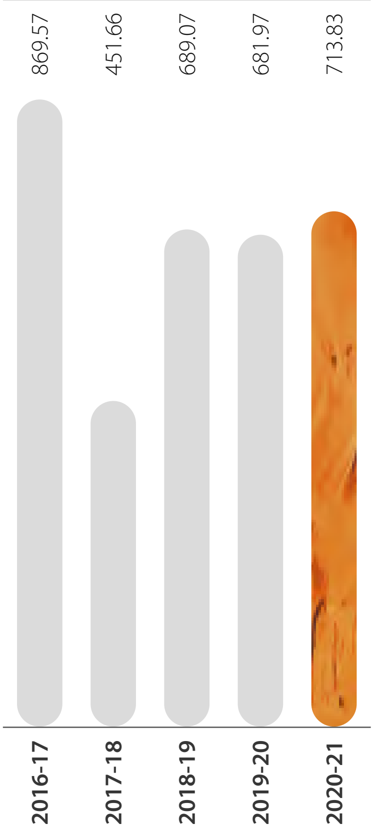
It is an index that showcases the Company's ability to optimise revenues, serving as an index of annual growth.

Performance

Revenues were higher by 1.48% to ₹4811.66 crore in FY 2020-21 on account of higher volumes.

EBITDA

(₹ crore)



Definition

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

Why is this measured?

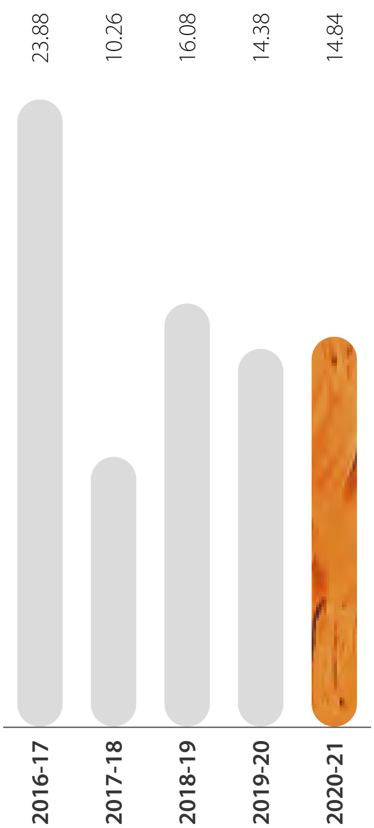
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, making it possible to compare with the retrospective average of sectoral peers.

Performance

The Company reported an increase in EBITDA during the year owing to robust performance in the distillery segment.

EBITDA margin

(%)



Definition

EBITDA margin is a profitability ratio used to measure the effectiveness of Company's business strategy and operating efficiency

Why is this measured?

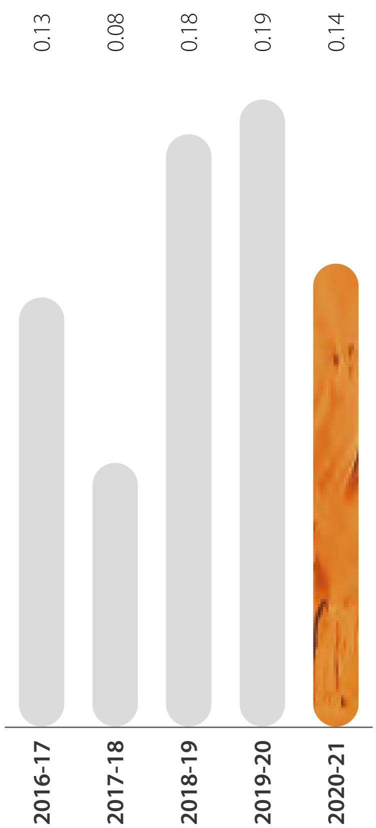
The EBITDA margin provides an idea of how much a Company earns (before accounting for interest and taxes).

Performance

The Company's EBITDA margin was higher by 46 bps owing to better performance in the distillery segment.

Gearing

(x)



Definition

This is derived through the ratio of long-term debt to net worth

Why is this measured?

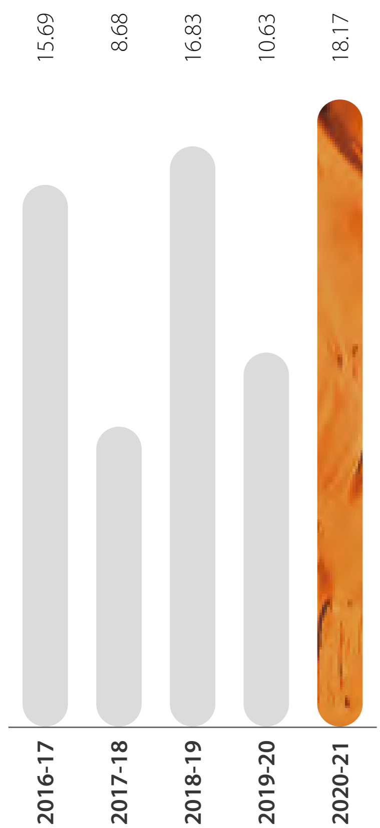
This is one of the defining measures of a Company's solvency.

Performance

The Company's long-term gearing at the end of the year was 0.14. Ideally this ratio should be read in conjunction with the Company's declining net debt, indicating a growing ability to pay back loans.

Interest cover

(times)



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.

Performance

The Company's interest cover remained among the strongest in the industry.

Financial and operational performance, 2020-21

Capacities

Unit	Sugar crushing (tonnes of cane per day)	Distillery (Kilolitres per day)	Installed cogeneration capacity (megawatts)	Saleable cogeneration capacity (megawatts)	Agro (metric tonnes)
Balrampur	12,000	160	53.05	27.25	50
Babhnan	10,000	100	27.76	10.00	-
Tulsipur	7,000	-	9.50	-	-
Haidergarh	5,000	-	23.25	20.95	-
Akbarpur	7,500	-	18.00	11.00	-
Mankapur	8,000	100	43.60	30.00	100
Rauzagaon	8,000	-	25.75	23.00**	-
Kumbhi	8,000	-	32.70	23.00	-
Gularia	8,000	160*	38.86	23.50	100
Maizapur	3,000	-	6.00	-	-
Total	**76,500**	**520**	**278.47**	**168.70**	**250**

* Commissioned in January 2020

**During the season the saleable capacity is 16 MW

Financial performance (₹ crore)

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Revenue from operations	3,641.00	4,400.72	4,285.78	4,741.29	4,811.66
Other income	24.94	27.72	42.75	38.55	33.45
Total income	3,665.94	4,428.44	4,328.53	4,779.84	4,845.11
Change in stock	(419.52)	409.75	(538.36)	37.34	(55.83)
Cost of material consumed	2,576.85	3,064.88	3,595.41	3,464.15	3,511.86
Excise duty*	180.86	58.18	-	-	-
Gross profit	1,327.75	895.63	1,271.48	1,278.35	1,389.08
Overheads	433.24	416.26	539.66	557.83	641.79
PBDIT	894.51	479.37	731.82	720.52	747.29
Finance costs	55.43	52.03	40.94	64.17	39.30
PBDT	839.08	427.34	690.88	656.35	707.99
Depreciation and amortisation expenses	104.94	95.16	95.85	101.42	111.88
Profit before tax	734.14	332.18	595.03	554.93	596.11

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Tax	141.86	111.06	24.39	45.65	126.34
Profit for the year	592.28	221.12	570.64	509.28	469.77
Other comprehensive income (net of tax)	(3.63)	(4.55)	(5.14)	(7.01)	(0.56)
Total comprehensive income (TCI)	588.65	216.57	565.50	502.27	469.21
Equity capital	23.50	22.84	22.84	22.00	21.00
Reserves	1,517.75	1,564.30	2,059.86	2,348.41	2,542.85

*Excise duty for March 2018 was on sales up to June 2017, following which GST became applicable

Value-added statement (₹ crore)

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Income from operations	3,879.66	3,932.79	4,824.14	4,703.96	4,867.49
Add: Other income	24.94	27.72	42.75	38.55	33.45
Value added	3,904.60	3,960.51	4,866.89	4,742.51	4,900.94
Less: cost of materials consumed	2,576.85	3,064.88	3,595.41	3,464.16	3,511.86
Less: other manufacturing expenses	252.33	213.57	309.20	303.84	360.14
Equals gross value-added	1075.42	682.06	962.28	974.51	1,028.94
Less: Depreciation and amortisation expenses	104.94	95.16	95.85	101.42	111.88
Equals net value-added	970.48	586.90	866.43	873.09	917.06
Allocation of net value-added					
To Employees	180.91	209.79	238.36	265.70	281.65
To Government (via Taxes)	159.32	121.78	33.37	53.43	168.27
To Bankers (via interest)	55.43	52.03	40.94	64.17	39.30
To Investors (via dividend)	85.75	58.76	57.11	55.00	52.50
To Investors (via buy-back)	175.00	99.00	-	147.67	180.00
To the Company (via retained earnings)	314.07	45.54	496.65	286.67	195.34

Key financial numbers

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Overhead/Total revenue (%)	11.90	9.46	12.59	11.77	13.34
EBITDA/Total revenue (%)	23.88	10.26	16.08	14.38	14.84
Interest/Total revenue (%)	1.52	1.18	0.96	1.35	0.82
Interest cover (times)	15.69	8.68	16.83	10.63	18.17
PBDT/Total revenue (%)	23.05	9.71	16.12	13.84	14.71
TCI/Total revenue (%)	16.27	4.92	13.19	10.59	9.75
Return on net worth (%)	44.42	14.33	31.74	23.11	19.44
Return on capital employed (%)	28.42	15.59	21.79	17.89	15.86

Balance Sheet ratios

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Debt-equity ratio	0.13	0.08	0.18	0.19	0.14
Inventory turnover (days)	232	149	198	188	186
Current ratio	1.16	1.10	1.37	1.46	1.63
Quick ratio	0.09	0.14	0.31	0.31	0.22
Asset turnover (total revenue/total assets)	0.95	1.15	1.03	1.01	1.03
Fixed asset coverage ratio	6.92	11.72	3.91	3.65	4.44
Debt-service coverage ratio	7.99	2.71	9.90	6.10	4.83

Growth numbers

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Growth in Turnover (%)	26.68	20.87	(2.61)	10.63	1.48
Growth in EBITDA (%)	111.59	(48.06)	52.57	(1.03)	4.67

Share data

Particulars	March 2017	March 2018	March 2019	March 2020	March 2021
Basic EPS (₹)	24.26	9.41	24.98	22.98	22.01
CEPS (₹)	28.56	13.27	28.95	27.24	27.22
Dividend (₹ per share)	3.50	2.50	2.50	2.50	2.50
Book value (₹)	65.58	69.48	91.17	107.75	122.09
Price-earning (ratio)	5.99	8.04	5.49	4.53	9.75
Net indebtedness (₹) **	8.72	5.44	16.45	20.38	17.31

** only on long-term borrowings

Sugar business

4468.07
(₹ crore), Revenues in 2020-21

4513.11
(₹ crore), Revenues in 2019-20

77.66
(%) Proportion of overall 2020-21 revenues from sugar

81.69
(%) Proportion of overall 2019-20 revenues from sugar

Overview

The Company has the second largest sugar manufacturing capacity in India with an aggregate crushing capacity of 76,500 tonnes of cane per day. It is the largest segment within the Company and generates value for downstream businesses like ethanol and co-generation. Over the years, the Company has reinforced its position as one of the most efficient sugar manufacturers, producing the best quality sugar in India. The Company has eight manufacturing plants in Eastern Uttar Pradesh and two in Central Uttar Pradesh. They are strategically located to facilitate economies of cane procurement, utilisation of by-products and logistics.

Strengths

Scale: The Company is one of the largest producers of sugar in Uttar Pradesh, capitalising on superior economies of scale.

Manufacturing units: The Company's has eight manufacturing units in the Eastern Uttar Pradesh and two in Central Uttar Pradesh.

Cane management: The Company has been able to achieve one of the best recoveries in East and Central Uttar Pradesh by facilitating the availability of superior seeds and providing quality agri-inputs to farmers, which has resulted in superior cane quality.

Technology Evangelist: The Company encourages mechanised farming in exchange for better yields.

Energy reduction: Optimum process efficiency enabled the Company to reduce energy consumption significantly.

Superior quality: The Company has stringent quality checks in place to ensure the consistent production of superior quality sugar, thereby commanding better realisations

Farmer-friendly: More than 95% of the Company's command area is covered with early maturing seeds.

Operational highlights, 2020-21

- Crushed 103.26 Lacs tonnes of cane compared to 102.03 Lacs tonnes in 2019-20
- Achieved a pre-diversion sugar recovery of 11.77% compared to 11.93% in 2019-20
- Lower sugar recovery was on account of lower yield and weather conditions including the spread of red rot disease. Initiated cost optimisation projects across all plants
- Undertook a cane development initiative to enhance yields across the command areas

Road ahead

The Company plans to place a greater emphasis on cane development and farmer engagement to improve operations and efficiencies over the foreseeable future.

Operational summary

Cane crushed (Lacs tonnes)

Unit	March 2017	March 2018	March 2019	March 2020	March 2021
Balrampur	12.34	13.61	16.17	15.46	16.79
Babhnan	9.84	10.11	13.00	11.75	11.22
Tulsipur	6.25	7.04	9.22	8.11	8.19
Haidergarh	3.75	4.89	5.10	4.70	3.39
Akbarpur	7.51	8.65	11.36	10.24	10.10
Rauzagaon	6.92	8.16	9.12	9.02	8.07
Mankapur	8.43	9.20	11.43	10.17	11.71
Kumbhi	10.48	13.90	15.64	13.58	14.38
Gularia	10.75	13.35	15.06	14.30	15.12
Maizapur	3.19	3.87	4.26	4.70	4.29
Total	79.46	92.78	110.36	102.03	103.26

Sugar produced (Lacs tonnes)

Unit	March 2017	March 2018	March 2019	March 2020	March 2021
Balrampur	1.28	1.44	1.86	1.70	1.75
Babhnan	1.00	1.03	1.41	1.30	1.09
Tulsipur	0.65	0.73	0.99	0.91	0.89
Haidergarh	0.36	0.48	0.56	0.52	0.39
Akbarpur	0.76	0.91	1.29	1.22	1.08
Rauzagaon	0.75	0.90	1.09	1.08	0.96
Mankapur	0.84	0.95	1.30	1.09	1.35
Kumbhi	1.24	1.64	1.93	1.70	1.51
Gularia	1.26	1.56	1.84	1.57	1.51
Maizapur	0.33	0.42	0.51	0.58	0.44
Total	8.47	10.06	12.78	11.67	10.98

Our distillery business

825.51
(₹ crore), Distillery revenues in 2020-21

549.09
(₹ crore), Distillery revenues in 2019-20

14.35
(%) Proportion of overall 2020-21 revenues derived from distillery operations

9.94
(%) Proportion of overall 2019-20 revenues derived from distillery operations

Overview

The Company ventured into the distillery business in 1995. Since then, the Company has commissioned four distilleries (Balrampur, Babhnan, Mankapur and Gularia) with an aggregate production capacity of 520 KLPD. The Company is primarily engaged in the production of industrial alcohol and ethanol. It converts most of the molasses produced in the sugar division into ethanol, enabling it to service OMC contracts, which are backed by improved realisations, helping the Company generate superior revenue visibility, bottom line and performance and quicker realisations.

The Company's Gularia distillery is the newest addition and commenced operations in January 2020. It has a production capacity of 5.60 crore litres ethanol manufacturing through the B-Heavy route and C-heavy route molasses.

Strengths

Flexibility: The Company manufactures ethanol from the C-Heavy and B-Heavy routes, enhancing its flexibility to participate in government tenders.

Scale: The Company has a capacity of 520 KLPD, resulting in economies of scale and the ability to consume all captively produced molasses.

Conscious: The Company actively invests in sustainability initiatives to minimise the impact of distillery operations on the environment. The Company installed incinerator boilers in its distillery to ensure zero liquid discharge on the hand and increase distillery operating days on the other.

Ethanol: The Company focused on manufacturing ethanol with assured offtake by Oil Marketing Companies.

Operational highlights, 2020-21

- Generated ₹825.51 crore in revenues compared to ₹549.09 crore in 2019-20
- Supplied 14.53 crore bulk litres of ethanol compared to 10.93 crore bulk litres in 2019-20
- Average blended realisations for the segment stood at ₹48.35 per bulk litre compared to ₹44.69 per bulk litre in 2019-20
- Distilleries operated for a higher number of days compared to 2019-20 owing to a higher availability of molasses

Road ahead

The Company plans to improve operational efficiencies through strategic investments and achieve a better capacity utilisation going forward. The Company announced a distillery capacity expansion by 320 KLPD, expected to be commissioned at the start of the Ethanol Year 2022-23.

(in crore bulk litres)

Alcohol	March 2017	March 2018	March 2019	March 2020	March 2021
Alcohol production (including Ethanol, ENA etc.	7.22	8.10	10.66	12.76	17.06
Alcohol sales	6.92	8.07	11.10	11.93	16.52

Segment analysis

Co-generation business

437.55
(₹ crore), Co-generation revenues, 2020-21

450.50
(₹ crore), Co-generation revenues, 2019-20

7.61
(%) Proportion of overall 2020-21 revenues derived from co-generation

8.15
(%) Proportion of overall 2019-20 revenues derived from co-generation

Overview

The Company ventured into the business of power co-generation in 2003.

Over the years, the Company commissioned a cumulative saleable co-generation capacity of 168.7 megawatts, out of which the Company consume nearly ~50% in FY 2020-21 and exported the rest to the state electricity grid.

Strengths

Scale: The Company has a saleable cogeneration capacity of 168.7 MW after addressing captive needs.

Experience: The Company has an experience of nearly 20 years in this segment

Operational highlights, 2020-21

- Generated 80.65 crore units of power compared to 90.24 crore units of power in 2019-20
- Exported 42.63 crore units to the state electricity grid compared to 52.61 crore units in 2019-20
- Average realisation stood at ₹3.17 per unit compared to ₹3.06 per unit in 2019-20

Road ahead

The Company will focus on operating the power plants only during sugar crushing days to meet its in-house requirements and plans to sell the surplus bagasse in the open market.

(in crore units)

Power	March 2017	March 2018	March 2019	March 2020	March 2021
Power generation	75.37	87.41	104.97	90.24	80.65
Power sales	51.05	56.80	66.38	52.61	42.63

How we have generated a larger cane quantum across the years

Overview

Cane availability and quality are the critical components responsible for the success of the sugar business; cane availability helps optimise production on the one hand whereas cane quality directly influences mill recovery on the other.

The Company's core objective has always been farmer prosperity. It is deeply involved in cane development, examining cane varieties and identifying the ones that will result in maximum yield. It then recommends the selection to farmers and persuades them to graduate from their long-standing cane variety to the suggested ones. Most of the farmers willingly agree because of the faith they have in the Company. The Company also provides subsidised seeds, monitors planting and cane growth until harvest.

The Company utilised prevailing and popular cane varieties across compacted command areas as the overall focus lay in protecting cane output from pests and increasing cane coverage across its command areas.

The Company embarked on an interesting challenge a few years ago: it got the farmers acquainted with C0 0238, a superior and early-maturing cane variety. The initial perception from outsiders was that the move would backfire because the farmers would not be willing to migrate to a new variety. However, the Company believed otherwise. It advocated its use, showcased its robustness on captive demonstration farms, strengthened its cane development team assigned with the objective to optimise its planting and implemented a number of forward-looking practices that enhanced yields. The team assisted farmers in providing superior seeds and agri-inputs at subsidised costs and farm equipment. It introduced better farming practices including ratoon management that translated into higher yields, income and multi-year prosperity, a win-win proposition.

Objectives

- More diversified early variety seed usage
- Increased usage of agri-input
- Increased farm mechanisation
- Ratoon management
- Training of field staff
- Management of insects, pests and disease

Constant guide

Over the years, the Company has built a formidable relationship with all the farmers in its command area and is attractively positioned to maximise farmer value. This has resulted in the Company turning into the farmer's go-to-agency for advice, support and guidance. This positioning has been facilitated by the Company's capacity to advise farmers on what kind of cane variety to use and remunerate the farmer around a standard payment cycle, strengthening the farmer's trust and income. The result is that the farmers possess a deep faith in the Company's judgement, resulting in a seamless alignment between farmer and corporate interests.

Increased farm mechanisation

There were two main reasons that were responsible for the low farm mechanisation in the Company's command area: low equipment accessibility and conventional mindsets. The farmers were used to traditional planting equipment and were hesitant to alter. But this has changed over the past few years. The Company was able to catalyse this transition by encouraging local entrepreneurs to purchase model technology agri-implements for providing other farmers of the area the agri-implement services on a custom hire basis and reasonable charges; it focused on training farmers in superior plantation techniques and trash mulching, which enhances soil fertility.

Increased use of agri-inputs

The availability of quality agri-inputs is expected to catalyse crop yield and health. In the past, farmers in the Company's command areas consumed below-par products, which resulted in inconsistent results. The Company made timely interventions to assist farmers and enabled them to make informed decisions through standardised products and processes. It appointed a vendor to provide quality inputs at subsidised costs, strengthening cane yields. Besides, the Company engaged in forecasting studies and providing farmers with agrochemicals at the right time to protect crops from probable pest attacks.

Ratoon management

The ratoon crop was regarded as a bonus crop, offering a lower cultivation cost by 20-30% as it averted the need for seed material. As a result, the growers did not care about the ratoon crop, generating lower recovery and yield.

Ratoon management is relatively less prevalent in Eastern Uttar Pradesh. The Company started providing training to farmers to increase the ratoon crop across its command areas, resulting in enhanced cane output. A ratoon yield competition programme was launched for healthy competition among cane growers for generating a better ratoon yield. The Company suggested total integrated ratoon management practice to the growers, which not only resulted in increased yields along with increased recovery. Over time, ratoon management was mechanised through devices that addressed stubble showing, fertiliser applications etc. while moderating costs and enhancing cane quality.

Management of insects, pests and disease

The management of insects, pests and disease is perhaps the most important aspect for achieving sustainable performance since its incidence directly impacts sugarcane yield and sugar recovery. The Company follows a proactive and preventive approach while monitoring the life cycle of the crop, right from sowing to harvesting to ensure the elimination of insects, pests and diseases.

Major initiatives

- Soil treatment to manage soil-borne pathogens like red rot, wilt and root rot, among others. Application of agri-inputs to manage the infestation of termite and root borer
- Management of soil-borne and insect-borne diseases as well as termite insects with seed treatment in hot and normal water; elimination of red rot-affected plants; spot application of bleaching powder was done to address red rot spread
- Overall management of red rot and smut disease through foliar spray
- Managing the infestation of termite and root borer in the standing crop after rain
- Management of various borers viz. early shoot borer, top borer, root borer etc.
- Management of other pests and disease by using recommended pesticides and fungicides through foliar spray

Seed diversification

The Company covered >95% of its aggregate command areas with the superior early variety. As a precaution, the Company identified other early maturing cane varieties for its seed multiplication programme, ensuring proper varietal balance of high-yielding sugarcane varieties.

Early and distanced planting

The Company suggested to growers to engage in early spring planting (February and March) with an inter-row distance of 4 ft., helping increase yields for growers and recovery for the Company.

Field staff training

Field training helps widen the bandwidth of the Company's field staff, making them the first points of reference whenever a farmer seeks field issues addressed with immediacy and informed inputs, which, in turn, enhances yield and quality.

For the Sugar Season

Net sugar recovery

11.13
2015-16
(Nil B-heavy diversion)

10.57
2020-21
(After B-heavy diversion)

Early maturing cane variety (%)

~40%
in 2015-16

94.79
2020-21

Cane crushed (Lacs tonnes)

70.39
2015-16

87.52
2020-21

Farmers addressed

more than
4.75
Lacs in 2015-16

more than
6.0
Lacs farmers
in 2020-21

Yield in command area (quintal per acre)

225.46
2015-16

311.62
2020-21

People management: Value creator

How we are investing in our people to create a new company

Overview

BCML believes that its human capital is one of the primary drivers of growth for the Company. The Company emphasises exploring knowledge, creating a culture of oneness, developing and enhancing skills and creating an environment of learning and reinventing for all its employees. The Company's HR team addresses individual grievances and resolves them with speed. The result is that 59.05% of the Company's employees have remained with the Company for >10 years.

The Company's human resource journey is based on three pillars:

- Talent acquisition
- Performance management
- Training & talent development

Talent acquisition (recruitment, selection and induction): The Company implemented a detailed recruitment process: screening, multi-layer selection, background verification and cultural orientation, among others to ensure that the perfect candidate is chosen for the role. This, coupled with the Company's recruitment panel, comprising individuals from different backgrounds and departments, ensures that all the candidates are selected without bias.

Performance management: The Company has a recognised Performance Management System in place (performance- and competence-driven). The defined key result areas (KRA) are directly/ indirectly linked to the business goal. They are designed to evaluate the contributions of an employee towards the final goal. Following an analysis of the evaluation, a mid-year meeting is conducted by all the key team members, following which the appraisals are decided, ensuring that hard work is rewarded and simultaneously bridging the gap between the desired and actual output.

Training & talent development: Over the years, the Company placed a growing emphasis on training and development. After identifying training requirements, the Company arranges for specialised technical and functional training by external or internal experts. Along with this, leadership workshops and post-training effectiveness feedback sessions are conducted. Specialised workshops are conducted in collaboration with external agencies to obtain vision and goal alignment between the corporate and unit teams. The Company has tie-ups with premier institutes and sends key members to attend leadership training and coaching programmes. Besides this, the Company initiatied Hipot Model (Hi Potential) and GT (Graduate Trainee) development to create a significant talent pool.

Policies: BCML has multiple employee benefit policies like Vehicle Policy, Furniture Policy, Club Membership benefits, Mediclaim Policy for the employee's family / mobile policy/ employee yearly health check facilities etc.), strengthening the retention of employees.

Total employees

5920

Total employees as of 31st March, 2021

Digitalisation: Value creator

How digitalisation is transforming our Company

Overview

Over the years, it became increasingly difficult to track 10 units procuring cane from thousands of farmers, putting a premium on reporting standards. The result: each unit worked in a silo and best practices were hard to implement. Besides, the data generated in a unit would not help in organisation-wide decision making. This created a room for digital interventions that would transform a conventional business into a modern one.

In 2014, the Company implemented SAP ECC 7 ERP to replace indigenously developed accounting software. The introduction of SAP enhanced standardisation around a common platform, strengthening systemic uniformity that enhanced information flow and decision making.

Key initiatives, 2020-21

Though IT automation was in its early stages, the Company identified intervention areas to reduce costs and enhance process efficiency.

The Company embarked on a pilot project in the area of plant maintenance and spares management at one of its manufacturing plants: to capture equipment-wise and spares-wise data. It is expected that in the event of equipment failure, the fault can be traced leading to necessary spares across the Company's various facilities, moderating time or costs and inspiring optimal stocking.

The Company is training employees in data management and analyses with the objective to scale to other plants.

- The Company has in place SOPs across functions; SOP compliance will be monitored through an online dashboard at the corporate office; besides, SOP-wise and plant-wise data is expected to facilitate informed decision-making.
- The Company introduced software to document cane development; employee-wise data of field officers is captured and tracked around a format and handheld devices, helping the Company generate accurate geo-tagged data.
- The Company upgraded its SAP S/4 HANA system to the latest generation, one of the first few companies in India to do so in the sugar sector. It has moved from an on-site server to a cloud server, enhancing security.

The Company strengthened centralised anti-virus monitoring; updates are monitored centrally to ensure that no machine within the system skips a crucial update and becomes vulnerable.

Road ahead

Going ahead, the IT team will work on the effective implementation of the digitalisation programme, strengthening a cultural shift within the Company.

Part Five

Balrampur is a responsible corporate citizen

Our Stakeholder Value-Creation Report, 2020-21

How we continued to enhance value in an integrated, inclusive and sustainable way

Overview

The Integrated Value-Creation Report is a showcase of our Company's commitment to enhance value for all our stakeholders. This commitment to enhance stakeholder value in a comprehensive way overcomes the conventional approach that focused largely on enhancing customer or shareholder value.

Balrampur's Integrated Reporting approach explains the sectorial context, analyses strategy and explains competitiveness leading to different reporting strands (financial, management commentary, governance and sustainability reporting) that are then integrated to express an organisation's holistic value-creation capability.

Integrated Reporting explains how an organisation enhances value by leveraging the value offered by all stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers. This gradual transition from the reporting of 'hard' to 'soft' (non-financial data) initiatives screens our Company more comprehensively, providing a clearer picture of how and where we enhance value in a sustainable way.

Focus on remunerating farmers promptly, the basis of all competitiveness

Focus on margins expansion by moving the production needle towards ethanol

Focus on synergic product integration (sugar/ethanol / co-generation)

Focus on superior cane development/logistics (higher yield/recovery)

Focus on East and Central Uttar Pradesh

Focus on sustaining a liquid and under-leveraged Balance Sheet

Focus on commissioning of integrated sugar complex (over standalone sugar manufacture)

Drivers of Balrampur value

At Balrampur, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

Our employees represent the aggregate knowledge of how to grow the business across a range of functions (cane procurement, manufacturing, quality, finance etc.). We provide an exciting workplace, generate stable employment and help enhance productivity

Our shareholders provided capital when we went into business. Our focus is to generate free cash, enhancing RoCE and, in doing so, increase value of their holdings

Our vendors provide credible and a continuously supply of resources (cane, equipment and services). We maximise quality cane procurement that is remunerated with speed, incentivizing additional planting

Our customers keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations. Our focus is to sell to a larger number of customers and retain them, strengthening relationships

Our communities provide precious social capital (education, culture, security etc.). We support and grow communities through consistent engagement

Our governments provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen

At Balrampur, the prudent interplay of the value generated by each stakeholder ensures business sustainability and enhanced organisational value.

The resources of value-creation

Natural Capital: This serves as the glue for our entire economic and social system. It provides resources that often cannot be replaced. The related resources comprise cane, water, fossil fuels and the world's carbon sinks — air, forests and oceans — to neutralise or sequester the waste generated from economic activity. When it comes to determining whether natural capital is material to an organisation, relevant factors must be remembered: the level of reliance on natural resources, the environmental impact of the productive process and what the organisation has to do to operate within environment limits.

Social and Relationship Capital: This represents the stock of resources created by relationships between our Company and all stakeholders. These relationships comprise ties with the community, governments, customers and supply chain partners. Besides, these could also comprise operating licenses, dependence on the public sector or an unpredictable supply chain.

Intellectual Capital: This encompasses intangibles associated with brand and reputation critical to our organisation. It includes resources such as patents, copyrights, intellectual property and organisational systems, procedures and protocols, which can provide competitive advantages. Conversely, companies that pollute could attract censure or closure .

Human Capital: This refers to skills and know-how of an organisation's professionals in addition to their commitment and ability to lead, cooperate or innovate. The success of an organisation is tied to the competent management of teams. Excessive employee turnover or inadequate remuneration can affect the brand and our ability to enhance value

Financial Capital: This is the traditional yardstick of our performance. This includes funds obtained through financing or generated through our accruals - the funds pool available in the production of goods or the provision of services, including debt and equity

Manufactured Capital: This comprises physical infrastructure like buildings or technology equipment and tools. They contribute to an organisation's productive activity. Their efficient management can moderate the use of resources and drive innovation.

How our Capitals strengthen value-creation

The Capitals available to the organisation are increased, decreased or transformed following value-adding activities. The connectivity and interdependence among the various capitals or inputs — specifically their influence on the organisation's long-term financial performance —need to be communicated in an Integrated Report.

These Capitals not only interact with each other, but are also influenced by external factors like the economic realty, technological progress, social changes and environmental issues. This makes an organisation's ability to mitigate risks, adapt to change and interact with evolving surroundings critical.

To comprehend how an organisation uses its Capital, how they relate to each other and the influence of external factors, it becomes important to define the strategy and series of KPIs to measure strategic progress.

Sweeteners are integral to human existence; responsible mobility drives human progress; clean power is making the world clean and sustainable. By using our resources efficiently, we can help deliver a better and cleaner world.

BCML is creating value through an integrated value chain

Cane development and procurement

- Investment in command areas to develop good farming practices using early maturing seeds
- Timely cane procurement to ensure better recovery

Manufacturing operations

- Efficiencies achieved through superior operations management led by a highly experienced team
- Optimisation of operational costs
- Continuous improvement
- Standardised operational procedures
- Maximise integration synergies through efficient byproducts generation and timely diversion

Commericalisation

- Sugar sales to retail customers and trade partners
- Ethanol supplied to OMCs
- Co-generation power supplied to the state electricity grid

BCML provides quality products

Sugar
Production of higher quality sugar of <100 ICUMSA in our sulphitation and less than 30 ICUMSA in our refineries.

Ethanol
Consistent supply of ethanol to oil marketing companies across the country for the ethanol blending program.

Manufacturing ethanol through B-Heavy and C-Heavy processes.

Co-gen
Power co-generated through bagasse.

Others
Convert incinerator heat to capture potash and create potash-based manure for farmers.

Our value creation strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
Key enablers	Nurturing a culture of process excellence, reflected in higher plant availability and higher crushing recoveries This makes it possible for the Company to generate a higher throughput from existing capacities	Balrampur focuses on operational excellence and cost leadership. The Company is one of the lowest cost producers on account of economies of scale, resource proximity and under-borrowed Balance Sheet The Company's capital cost per tonne of installed capacity is among the lowest in India's sugar industry	Balrampur reinforced customer engagements through adequate capacity, timely product delivery and high product quality.	Balrampur is an employer of 5920 people (full time and contractual) across its facilities. The Company's people engagement has been marked by a culture of urgency, delegation, empowerment, responsibility and accountability. The Company's invigorating workplace is marked by training, engagement, fair appraisal and attractive reward	Balrampur is a responsible corporate citizen The Company is engaged in community development activities in the hinterland of manufacturing facilities The Company spent ₹1067.55 Lacs across CSR activities in 2020-21	Balrampur enhances value for all its stakeholders It manufactures products that enhance lifestyle and well-being. Sugar enhances taste and preservative value Ethanol is blended with petrol to reduce vehicular emissions Co-generated power makes it possible to reduce the use of fossil-based electricity
Material issues addressed	Superior technology leading to production efficiency quality	Creating the basis of long-term viability through an any-market cycle competitiveness	Enhancing revenue visibility through product criticality, enduring customer relationships, PPAs and national policy alignment	Creating a professional culture with authority, responsibility and accountability Seeking overarching excellence in everything the Company does	Community engagement; widening the prosperity circle	Stakeholders' need for enhanced value creation
Capitals impacted	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Intellectual, Human	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship

How we have enhanced value for our stakeholders

Employee value

Salaries and wages

(₹ crore)

2017-18	2018-19	2019-20	2020-21
204.00	230.46	254.00	281.65

Customer value

Revenues

(₹ crore)

2017-18	2018-19	2019-20	2020-21
4400.72	4285.78	4741.29	4811.66

Quantity of sugar sold

(Lacs qtls.)

2017-18	2018-19	2019-20	2020-21
102.90	115.30	120.50	113.30

Quantity of ethanol sold

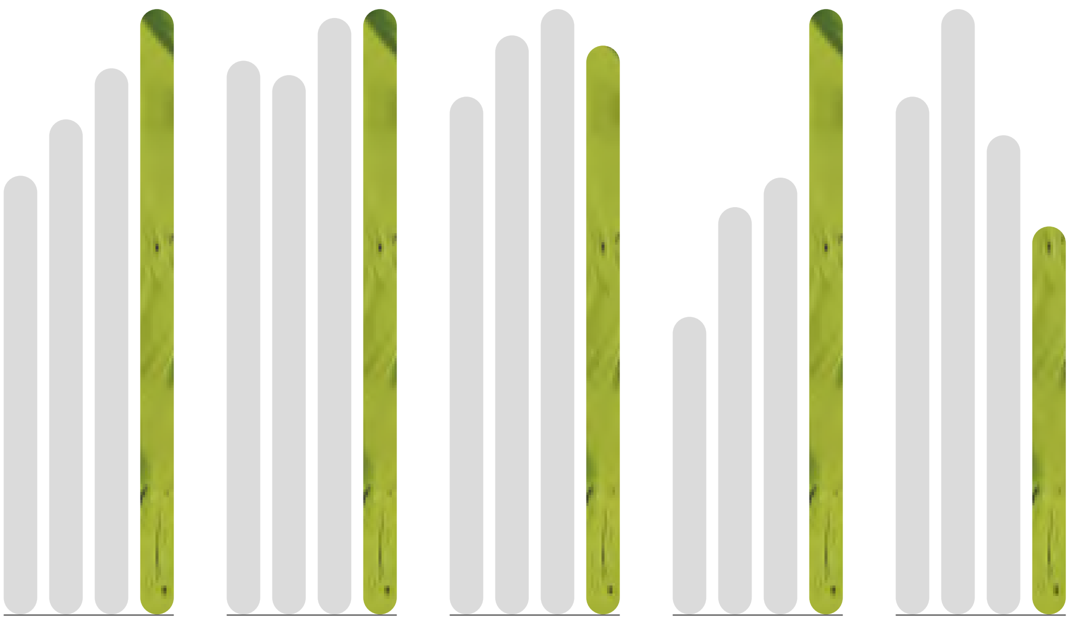
(crore BL)

2017-18	2018-19	2019-20	2020-21
8.10	11.10	11.90	16.50

Quantity of co-generated power sold

(crore Units)

2017-18	2018-19	2019-20	2020-21
56.80	66.40	52.60	42.60



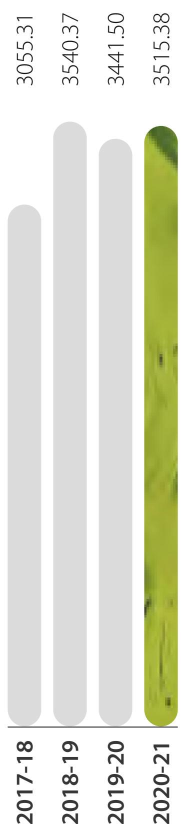
The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer

Coupled with an increase in volumes, the Company increased revenues, an index of the value created for customers.

Farmer value

Procurement (sugarcane)

(₹ crore)

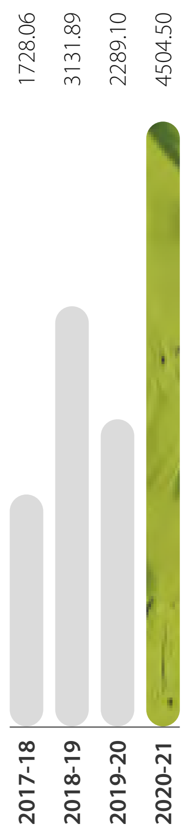


The Company procured a larger quantum of cane, enhancing rural prosperity

Shareholder value

Market capitalisation

(₹ crore)

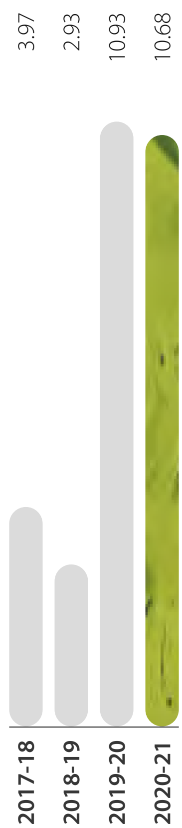


The Company strengthened shareholder value through a complement of prudent business strategy, accruals reinvestment, cost management and share buyback.

Community value

CSR investment

(₹ crore)



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

Balrampur and its ESG commitment

How we invest in our business to make a positive difference

Environmental

- Moderate carbon footprint
- Protect bio-diversity
- Use 4 R's (replace, re-use, recycle and reduce)
- Ongoing audit and investment in environment compliance
- Disclose environment performance

Social

- Large workforce
- Focus on knowledge, experience and retention
- Investment in training
- Culture of passion
- ₹10.68 crore spent under CSR in FY 2020-21

Governance

Code and values

- Code of Conduct
- Whistle blower policy
- Anti-bribery policy
- Remuneration policy
- Environment-Health-And-Safety (EHS) Policy
- ESG commitment
- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Fair Disclosure
- Code of Conduct for Insider Trading

Structure and oversight

- Diversified Board with two women Directors
- Nomination & Remuneration Com. comprising all Non-Executive Directors
- Audit Committee comprising all Non-Executive Directors
- Risk Management Policy
- Succession Policy

Transparency and reporting

- Material event policy
- Related party transactions
- Quarterly Corporate Governance Report
- Business Responsibility Reporting

Where we come from

Our Health, Safety and Environment commitment

Overview on sustainability

A growing number of global companies are recognizing environmental, financial and reputational benefits from sustainable practices. Besides, stringent environmental norms that guide agencies are helping reduce resource depletion, water scarcity, pollution and other harmful impacts on the one hand and enhancing process safety on the other.

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

Balrampur's overarching focus lies in consuming less and manufacturing more while minimising environment impact. It is the Company's conviction that the most successful, profitable and sustainable companies are those benchmarked around the most stringent environmental standards.

Balrampur has been progressively manufacturing sugar, ethanol and co-generated power. The fact that these products are inter-linked – the by-product of one constituting the raw material for the other – makes the process resource-efficient. Besides, being agricultural in nature, there is a renewability built into the business model.

Over the years, the Company invested in low-carbon technologies that translated into enhanced resource and energy efficiency. The Company's captive consumption as a percentage of the total generation of power is increasing resulting in reduced dependence on energy derived from fossil fuels. The risk mitigation policies were outlined keeping in mind its long-term vision on the one hand and enhanced sustainability-driven prosperity. The Company invested in the use of modern technologies, practices, methodologies and standards. The result is that the Company reduced its environmental footprint, strengthened planet preservation and moderated resource consumption.

Across the years, the Company has retained its position as one of the greenest and cleanest sugar companies. The Company's operations are aligned with the National Action Plan on Climate Change (NAPCC) of the Government of India; the plant environment has been maintained in line with the Environment Health Safety (EHS) Policy and established management systems.

At BCML, our operations are woven around the 4R's – Recycling, Replacement, Reduction and Renewables. Over the years, we strengthened our environment commitment through the following initiatives:

Co-generation: Our co-generation power plants generate power from the use of bagasse, a waste generated from the manufacture of sugar. The generation of 80.65 crore units in 2020-21 (90.24 crore units in 2019-20) substituted the use of fossil fuel, reducing emissions of greenhouse gases (GHG).

Recycling: We utilise bagasse in the generation of power (used captively and exported to the state grid). We reuse treated wastewater, resulting in zero waste discharge from our factories. Most of the solid wastes are recycled as well.

Eco-friendliness: We clean ponds and rivers near our manufacturing units, plant saplings in green belts inside and outside our factory premises; we provide organic fertilisers to villagers near our facilities; we recharged the ground water table near our manufacturing facilities. The quantum of water saved or injected through these initiatives is equivalent to the Company's water consumption.

Equipment investment: We invested in various equipment across our factories to minimise emissions.

1. Our HSE commitment

Overview

At Balrampur, we emphasise the importance of the health of all those engaged in our eco-system – employees, farmers, vendors, community members and trade partners. We have prioritised the importance of activities and processes that do not in any way compromise their right to good health and well-being.

The importance of collective and individual health was emphasised during the pandemic when the Company prioritised the importance of adequate distancing among employees and the use of personal safeguards within the plants area.

The Company continued to monitor activities in the sugar packing area, ethanol despatch area bagasse yards and ash collection area. Besides, it emphasised the use of personal protection gear in areas that generated loud sound (boiler and turbines) and in areas that worked with hazardous chemical substances.

Social distancing

Promoted regular hand washing and sanitisation.	Introduced daily thermal scanning at the gate for employees entering the premises.	Conducted a periodic health checks.	Instituted training and awareness programmes.

Employee discipline

Advocated the use of appropriate masks and safety goggles for those working in bagasse and ash yards to counter the easy dispersal of material.	Advocated the use of ear plugs and ear muffs for employees engaged in high sound areas.	Advocated the use of appropriate personal protection equipment with knowledge of MSDS.

Employee welfare

Organised free medical camps in all units, supervised by specialists from reputed hospitals.	Instituted a Mediclaim Policy to cover employees and their families from expenses related to disease, illness and accidents.

Education support

Education support till graduation to the children of blue-collar workers deceased due to COVID.

Monthly monetary support

Monthly monetary support to the spouses of blue-collar workers deceased due to COVID for three years.

Infrastructure support

Sanitised offices and buildings.	Maintained a hygienic changing room.	Maintained canteens to serve hygienic food.	Dispensaries with medical staff provided first-aid and preliminary medication for employees and contractors.	Provided ambulance facilities.

Outcomes

The Company moderated / eliminated hazards in the areas engaged in sugar packing, fly ash generation, bagasse leakage and high noise. The effectiveness of the Company's engagement was established through periodic health checks and regular attendance (correspondingly lower instances of leave without pay).

2. Our Safety commitment

At Balrampur, the subject of operational safety is critical across the following interventions:

Operation of rotary equipment, boiler and TG operation, working at heights, temperature working (welding and cutting), sugar and alcohol loading, excavation, electrical maintenance, acid and chemical handling as well as static electricity generation. As with any industrial activity that involves manual labour, there could be possibilities of major and minor injuries, accidents and equipment breakdown.

Over the years, the Company maximised the subject of safety through proactive measures and safeguards.

The Company responded to the subject through strategic interventions: creation of an enunciated policy on the subject, priority by the Board on the subject, awareness building, team composition, structure and engagements across the Company, periodic reporting in safety performance to all stakeholders (internal and external), prudent recruitment of professionals with the requisite competencies and experience, ongoing training on the subject, mock drills to enhance a state of preparedness, investment in corresponding safety-enhancing infrastructure and equipment, as well as the observation of an annual Safety Week.

The tactical initiatives taken by the Company comprised safety education and training, precise and documented allocation of employee responsibilities, formal Work Permit System, elaborate policies on safety precautions, maintenance of incident / accident reports, compliance related to personal protecting equipment, use of relevant signage across manufacturing locations, implementation of a Do's & Don't Policy, creation of 'Restricted Areas' to eliminate unauthorised access, maintenance of material safety data sheet signage at the required locations, imposition of penal provisions for unsafe acts, investment in a comprehensive fire safety system, creation of a detailed emergency evacuation plan, periodic mock drills for fire control and emergency evacuation, periodic structure audit to address observations with speed, and a periodic safety audit.

The Company designated a Safety Officer across each of its three daily shifts to monitor and supervise operations from a safety perspective. These Safety officers were empowered to discontinue operations in case of violations. Besides, a written warning, coupled with a penal provision, was introduced to eliminate recurrence. Accident reports were circulated to all the Company's units to enhance awareness, benchmarking and best practices.

Recommendations	Initiatives
Enunciated policy	EHS Policy and Safety Manual introduced
Focused importance	Formed EHS Committee, meeting periodically to address safety challenges
Board priority	Conducted safety training and tool box talk to enhance safety competencies
Awareness building / Communication	Formed Safety Committees.
Team composition	Appointed corporate EHS Head and Safety Officer
Focused team structure	Prepared safety MIS; circulated internally
Team engagement with the rest of the Company	Conducted periodic on-site and shop-floor training.
Periodic reporting to stakeholders (internal and external)	Appointed Safety Officer in each unit
Prudent and timely recruitment	Presented safety performance each quarter
Training intensively and extensively	Conducted periodic training
Conduct mock drills	Conducted monthly mock-drills
Investing in suitable infrastructure	Ensured highest safety standards during erection (proper stair heights, railing illumination, guards etc.) coupled with a structural audit
Investing in safety equipment and apparatus	Provided safety equipment (safety shoes, helmets, aprons, gloves, ear plugs and goggles etc.)
Observe an annual Safety Week	Observed an annual Safety Week (4th to 10th March) comprising safety competitions (Safety slogan, sketch and essay)

LTI performance, 2020-21

Unit name	Near miss	LTI-record		
		2018-19	2019-20	2020-21
Balrampur	19	0	3	4
Babhnan	0	0	0	0
Tulshipur	13	2	1	2
Haidergarh	0	0	0	0
Akbarpur	6	1	2	2
Rauzagaon	6	1	1	1
Mankapur	22	8	4	3
Kumbhi	3	5	4	3
Gularia	5	3	2	3
Maizapur	0	0	0	0
Total	**74**	**20**	**17**	**18**

LTI performance, 2020-21

Our safety certifications

- MAH licence under Factories Act
- PESO licence
- HAZOP study
- Fire safety activeness certificate
- Pressure vessel certificate
- Fitness certificate for lifting equipment
- No objection certificate for sulphur storage
- On-site emergency plan from competent persons
- Periodical Safety Audit by an external agency/competent professionals
- Disaster Management Plan

Accident frequency record

Year	Accident (LTI)	AFR
2018-19	20	1.20
2019-20	17	1.02
2020-21	18	1.09

Accident frequency rate

The Company engages in detailed investigations for all accidents and occurrences. The outcome of these investigations is discussed to eliminate recurrence. Besides, the Company engages in safety inspections and audits by a Safety Committee in addition to scheduled audits by competent persons / certification bodies.

3. Our environment commitment

Overview

Environment management is fast emerging as a prominent index by which companies are appraised for their responsibility and sustainability. It has been observed that companies that are competent in their environment management are also perceived and appraised better by investors, resulting in enhanced market valuation.

In a world where environment mismanagement can lead to censure and even closure of operations, there is a premium on a low operational impact on natural resources, employee / societal health and adverse reputation.

Our philosophy

Balrampur's commitment to competent environment management has been enshrined in the following priorities: complete compliance with conditions of different environment-related NOCs, consents, permissions, licenses and authorisations; ongoing benchmarking of operations in line with sectorial developments (within India and the world); spirit of continuous improvement, study of processes and materials with the objective to seek cleaner alternatives, ongoing controls, creation of a roadmap and documentation.

The pollutants in our business

Solid: Boiler ash and sludge from the sugar effluent treatment plant as well as effluents generated from the distillery process and condensate polishing unit

Hazardous waste: Oil and grease

Liquids: Plant effluents, process condensate, surplus from the sugar plant spray pond, cooling tower, reverse osmosis rejects (sugar); distillery spent wash, MEE condensate, reverse osmosis rejects, blow down water (distillery)

Air: Suspended particulate matter in the stack as well as suspended particulate matter, nitrogen oxide in flue gas and sulphur oxide in the flue gas (distillery slop fired boilers)

Noise: High decibel sound in the TG boiler, fibrizer and mill areas.

Pollutant mitigation initiatives

Solids

- Bagasse-based fly ash is utilised by farmers; the material is also land-filled securely in low land areas
- The spent wash incineration boiler ash (potash-rich) is used in the production of granules and potash fertiliser
- Hazardous waste (cotton waste / oil & grease) is incinerated in the boilers (as per the hazardous waste authorisation stipulations issued by UPPCB)
- Sludge generation from sugar effluent treatment plant, distillery process and condensate polishing unit is utilised as farm manure

Liquids

- Sugar effluents are treated in an effluent treatment plant and treated effluent is utilised for recycling and irrigation
- Distillery effluent spent wash concentrate is used in MEE and incinerated in incineration boilers with supporting fuel (bagasse)
- Colourless low polluted condensate treated in the condensate polishing units are treated; the recycled water is used in the process and makeup water in the cooling tower.

Air

- Air pollution control devices are installed in the bagasse-fired / slop-fired boilers to moderate dust particles from the dry fly ash
- Cyclones are installed in some bagasse-fired boilers
- Wet scrubbers are installed in some units having bagasse-fired boiler
- Electrostatic precipitator / bag filter is installed in some units having bagasse-fired incineration boilers.

Noise

- Personal protection equipment is provided to those working in high noise areas
- a pre-biotic medical check is conducted to monitor their health
- An acoustic enclosure is created
- A silencer is attached to all noise-creating equipment

Greening

- Mass plantation is done on World Environment Day / Independence Day
- Mass plantation drives is also undertaken with the UP State government

Outcomes

There was a remarkable reduction in pollutants in the sugar and distillery units of the Company in the last few years through the adoption of advanced treatment technologies, resulting in the incidence of zero liquid discharge in a number of units.

Besides, the Company moderated the consumption of lime, sulphur, water, chemicals and electricity. The Company moderated resource consumption through water recycling, reuse of treated water, improvement in the recovery of steam condensate, replacement of fresh / cold water in the sugar process house (except for laboratory and drinking), replacement of fresh water with cooled excess condensate for equipment cleaning, floor washing and other purposes and reduced DM/RO plant operations, use of energy-efficient motor in place of conventional motors, use of variable frequency drives and investment in steam and power-saving projects in Balrampur, Babhnan and Rauzagaon.

Outlook

The Company will continue to invest in sustainable initiatives over the foreseeable future and plans to maintain environmental impact substantially below the statutory norms while reducing water consumption per tonne of cane. The Company will conduct training sessions and audits to ensure its sustainability initiatives are at par with global standards.

Particulars	UOM	Central Pollution Control Board norms	All plants	
			Season 2019-20	Season 2020-21
Cane crushed	MT	-	10537157	8751707
Total effluents from sugar + co-gen plants	Ltrs/ MT of cane	100	85.39	85.62
Overflow of spray pond / cooling tower	Ltrs/ MT of cane	100	92.01	83.82
COD of discharge water	ppm	250	151.8	136.9
BOD of discharge water	ppm	100 for irrigation and 30 for surface water	21.5	18.44
TSS of discharge water	ppm	100 for irrigation and 30 for surface water	22.3	20.04
CPCB allowed liquid discharge limit for distillery	Zero	Zero	Zero	Zero
The particular matter emission from boiler	Mg/ Nm3	150	80.7	76.64
Ambient air quality (Industrial and mixed)	Mg/ Nm3	83.6	14-16	18-22

How we strengthened our integrated sustainability

2456311
Bagasse produced(MT)

80%
% of bagasse consumed for renewable power generation

53.47
Molasses produced (Lacs quintals)

100
% of free molasses consumed to produce ethanol (green fuel)

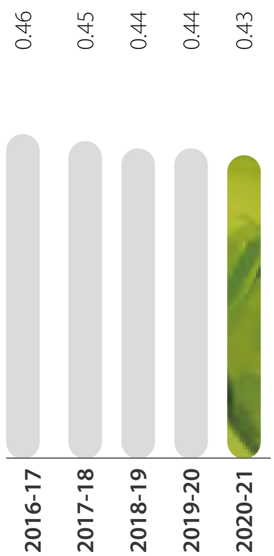
42213
Fly ash generated (MT)

6
% of fly ash consumed to manufacture granulated potash

Caring responsibly for the environment

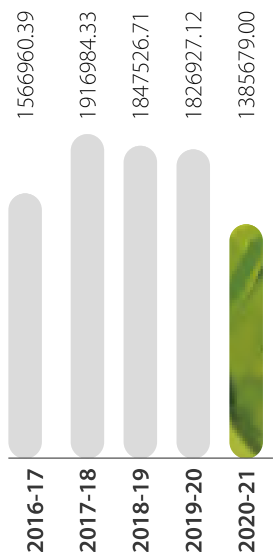
Specific steam consumption per MT of cane

(units)



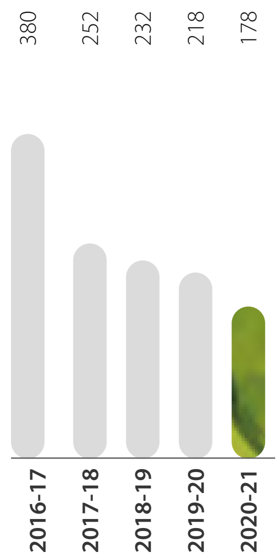
Water effluents emissions

(cubic metres)



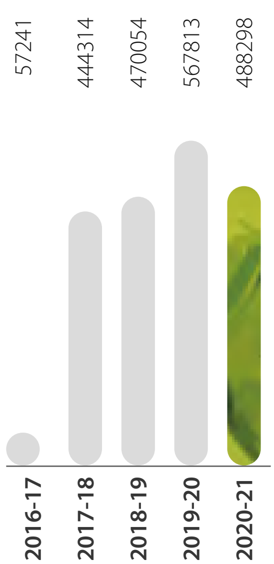
Ground water drawal per MT of cane

(litres)



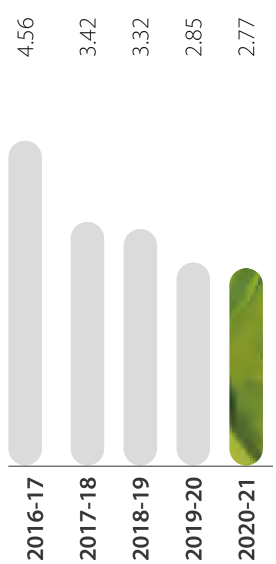
Water recycled

(cubic metres)



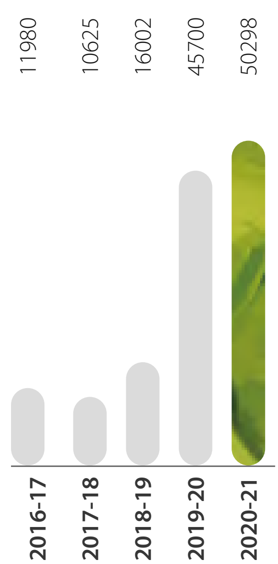
Non-hazardous waste

(kgs per MT)



Number of trees/ saplings planted

(units)



Directors' Profile

Name	Age of Director (in years)	Experience as a Director (in years)
Mr. Sumit Mazumder	72	27
Mr. Dinesh Kumar Mittal	67	17
Ms. Mamta Binani	49	15
Mr. Naresh Dayal	71	11
Mr. Krishnava Dutt	47	12
Ms. Veena Hingarh	51	19
Mr. Vivek Saraogi	54	34
Dr. Arvind Krishna Saxena	69	15

Executive, Promoter	Executive, Non-Promoter	Non-Executive, Independent	Non-Executive, Non- Independent	Total
1	1	5	1	8

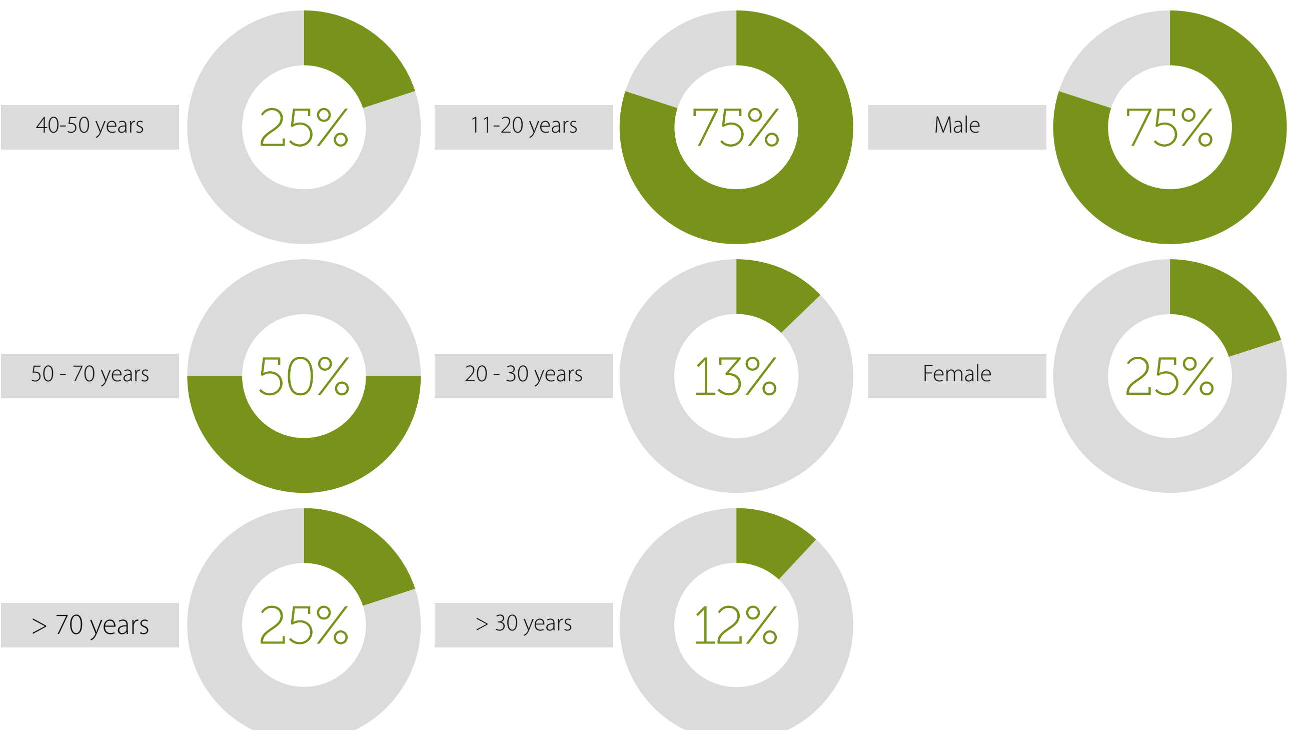
Board Diversity

6 Male

2 Female

8 Total

Age of Director | Experience as a Director | Board Diversity



Mr. Sumit Mazumder
Chairman & Independent Director

Mr. Sumit Mazumder, an eminent industrialist, is the Executive Chairman & Managing Director of TIL Limited. He is associated with various Chambers of Commerce and was appointed as the President of CII (Confederation of Indian Industry) for the year 2015-16. He also sits on the board of other companies as Independent Director. He has done MBA from Sam Houston State University, Texas, USA and has also undertook the Advanced Management Program at Harvard University, Massachusetts, USA. He has decades of rich experience in economics, risk management, business planning & strategy, corporate affairs, engineering & technology, human resource development, etc.

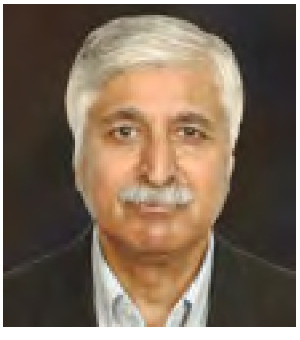
Mr. Vivek Saraogi
Managing Director

Mr. Vivek Saraogi, an eminent industrialist, is a veteran in the sugar industry and has been one of the youngest presidents of the Indian Sugar Mills Association. He has also served as the Chairman of Indian Sugar Exim Corporation Limited and is a former committee member of FICCI & the Indian Chamber of Commerce in Kolkata. Under his stewardship and able leadership, the Company has grown leaps and bounds through organic and inorganic means enabling BCML to emerge as a leader in the Indian sugar industry. Mr. Saraogi is a commerce graduate from St. Xavier's College.

Mr. Dinesh Kumar Mittal (Retd. IAS)
Lead Independent Director

Mr. D.K. Mittal has done M.Sc. (Physics) with specialisation in electronics from the University of Allahabad. He is a former Gold Medalist IAS officer from the batch of 1977 (U.P. cadre) and has served the Government of India in various capacities. Mr. Mittal was the Secretary, Department of Financial Services, where he worked very closely with the RBI and was on the Board of the RBI, LIC, State Bank of India, IIFCL and IIFCL (UK). Previously as Secretary, Ministry of Corporate Affairs, he has worked closely with ICAI, ICSI and ICWAI.

As an Additional Secretary, Department of Commerce, Mr. Mittal was the Chief Negotiator of India for WTO negotiation. He has also served in various capacities in Uttar Pradesh Government like Director General of UP Academy of Administration and State Institute for Rural Development, Managing Director of Uttar Pradesh Land Development Corporation, Vice Chairman of the Ghaziabad Development Authority and Special Secretary and Additional Director of Industries.



Mr. Naresh Dayal (Retd. IAS)
Non-Executive Director

Mr. Naresh Dayal holds a Masters' degree in Arts from University of Delhi and in Professional Studies, Agriculture from University of Cornell, USA. He is a former IAS officer who has worked with the Government of India for 37 years in various positions at the state and national levels. As Secretary to the Hon'ble Ministry of Health and Family Welfare, Mr. Dayal was responsible, among other things, for all policies and programmes in the realms of Public Health, supervising the National Health Authorities, assessing and devising the policies for the Country's manpower requirements in health.

Mr. Krishnava Dutt
Independent Director

Mr. Krishnava Dutt is a Law graduate and is currently the Managing Partner of Argus Partners. Earlier he was associated with Amarchand Mangaldas, a reputed law firm from where he retired as a Partner in the year 2009. Forbes India in its Legal Powerlist 2020 recognised Mr. Dutt as one of the Top 50 Managing Partners and as one of the Top 100 Individual Lawyers for Insolvency & Bankruptcy and Mergers & Acquisitions. 'ALB India 2020 Super 50 Lawyers' list recognised Mr. Krishnava Dutt as one of the top 50 private practitioners in India. Mr. Dutt has been recognised as 'Highly Regarded' in M&A by IFLR1000 2020 Rankings. He has been identified by India Business Law Journal as one of India's top 100 lawyers and is mentioned amongst the India A-List lawyers of 2020, 2019, 2018 and 2017.

Ms. Veena Hingarh
Independent Director

Prof. Veena Hingarh is the Director in South-Asian Management Technologies FZC, Dubai and South Asian Management Technologies Foundation, a National State Board of Accountancy (USA) accredited institution focused on research, training, and strategic consulting services in the area of finance, IT, and risk management. She has over 20 years of result-oriented consultancy and corporate training experience. Her areas of specialisation are Information System Audit, Risk Management, and International Financial Reporting Standards. She is a member of the Financial Reporting Review Board, ICAI. Prof. Hingarh is a Chartered Accountant, Company Secretary, Certified Information System Auditor and Masters in Science.

Ms. Mamta Binani
Independent Director

Ms. Mamta Binani has more than two decades of rich experience in Corporate Consultation & Advisory, Insolvency laws, Due Diligence, Secretarial & Legal functions. She was the President of the Institute of Company Secretaries of India (ICSI) for the year 2016 and was only the second lady President of ICSI in the illustrious history of the Institute. She is the Vice President of the Kolkata National Company Law Tribunal Bar Association, the Chairperson of the Merchant Chamber of Commerce-Legal Affairs Council and is the Co-Chair of the Restructuring Committee on Stressed Assets of Indian Chamber of Commerce. She has been bestowed with various medals, certificates and awards including the prestigious D.L. Mazumdar's Silver Medal, Tejaswini Award, Mauji Ram Memorial Award, Bharat Nirman Awards etc. Ms. Binani is a Commerce Graduate, Law Graduate and a Fellow Member of the Institute of Company Secretaries of India. She is also the first registered Insolvency Professional in the country.

Dr. Arvind Krishna Saxena
Whole-time Director

Dr. Arvind Krishna Saxena's experience spans more than 40 years and is associated with the Company since the year 2002. He has held prestigious positions in various organisations like Indo Gulf Fertilizer & Chemical Corporation Ltd, Green Crop Fraction Project (sponsored by United Kingdom) among others. He has also been associated with scientific and research activities as visiting expert in National Botanical Research Institute (Council of Scientific & Industrial Research). Dr. Saxena is a M.Sc. and a Ph.D. (Botany) with a specialisation in industrial mycology, bio-composting, mushroom production and processing from Horst, Holland.

Balrampur Chini Mills-A responsible corporate citizen

Overview

The Company is not only driven by the need to make the world a better place through the manufacture of products that enhance lifestyle quality and make the world cleaner but also through a widening prosperity effect across the less privileged.

At Balrampur, our corporate citizenship is defined by a number of priorities.

We invest in a distinctive set of values (continuity, integrity, respect, performance, simplicity and accountability).

We manage our business with the objective to make the world better through long-term outcomes.

We believe that our influence must extend to those who are not connected (directly or indirectly) with our Company.

Our engagement in corporate social responsibility projects are aligned with national or regional priorities (natural resources governance, environmental resilience, education equity and healthcare fortification).

We have extended beyond 'cheque-writing' to a hands-on engagement comprising the use of modern technologies and tools.

We partner specialised agencies - communities, industry, non-government organisations, governments and innovation creators - who possess a deeper terrain or subject matter experience.

We make investments that can translate into disproportionately larger societal impact.

We empower beneficiaries to assume control of their lives.

We engage with communities directed by a CSR Policy that is implemented under the guidance of a CSR Committee, Board and senior management.

We measure the impact of our engagements, document them and share transparently.

We engage in responsible advocacy that aggregates the voice of the rural underprivileged in seeking better solutions.

Contextual background

Uttar Pradesh, the state where all of Balrampur's manufacturing facilities are located, is the most populous state in India (18 divisions and 75 districts), accounting for 7.34% of the country's total area (fourth largest State).

Uttar Pradesh is the largest agri-producer in India, accounting for about 17% of the total food grain produced in India. However, challenges faced comprise excessive dependence on cost- and water-intensive technologies, declining yield, migration to city and ecological changes. Due to a high population and low literacy, there are challenges in education and health sector too like a high pupil-teacher ratio, inadequate infrastructure and a high percentage of home deliveries etc. The Company focuses on such regions where the human development index is low compared to the average human development index - for unlocking the potential of the rural population, families, children and environment to make the world a better place.

Workflow

BCML's CSR intervention is an extension of the prosperity-enhancing ethos of the Company into the domain of social responsibility and environmental sustenance. The bulk of the CSR activities in Uttar Pradesh is conducted through Balrampur Foundation ('Foundation') under the Nayi Umeed Project to fulfil the Company's aspiration to make a social difference through the interplay of innovation, technology and resource efficiency. As a result, the Company works extensively with farmers, their families, village habitats, rural local bodies and institutions, empowering them with knowledge and practices in earning sustainable livelihoods.

What beneficiaries have to say about Balrampur Foundation's ground-level engagements

"I have been able to buy a superior small tractor to help in sugarcane cultivation. I put seeds into the tractor, plant them and put soil over it. I also use it to produce rice, wheat and use it for personal work. The tipplers from Balrampur Foundation have proved to be a big help: the travel time is lower, labour cost has reduced and crop produce is delivered fresh to markets."

Ranjit Goswami
Amroha, Kunwarpur district, Uttar Pradesh

"I own 12 acres, of which 7 acres is used for sugarcane cultivation while the rest has been allocated towards rice, wheat and vegetables. I received a tractor from Balrampur Foundation in 2019, which has since transformed my life. The tractor, cultivator and other equipment provided by the Foundation has helped me earn almost hundred times my previous income from farming. Labour costs have declined; ratoon productivity has doubled to 100 quintals per acre. I also earn an extra income by providing the equipment on rent. The result is that I have built concrete house and now send my children to good schools."

Rajesh Kumar Verma
Uttar Pradesh

"Balrampur Foundation donated a computer set, water cooler, RO water purifier and a water tank along with a washroom. This has enhanced hygiene, strengthened computer literacy and improved school attendance."

Richa Mishra
Warden, Kasturba Katra bazar School, Gonda district

"I was provided a trolley tractor by Balrampur Foundation in November 2020. This has helped me engage in a range of farming activities. Previously I incurred a high transportation cost; the trolley has now translated into savings of about ₹10,000-20,000 a month."

Abdul Qadir
Farmer, Subhanwah village, Uttar Pradesh

"Thanks to Balrampur Foundation I complete all my work on schedule and also earned by giving the tractor to someone else.The tractor provided by the Foundation is more efficient over the larger tractors."

Kaushal Kishore
Newasi village, Uttar Pradesh

"Balrampur Foundation set up an X-ray machine in our health centre. We use it for 200-250 X-rays a month. The Foundation has arranged for a water filter and cooler; we get drinking water in the summer – a big relief."

Dr Amit Kumar Singh
CHC, Bijua village, Uttar Pradesh

The areas of our presence

- Natural resources governance
- Environmental resilience
- Education equity
- Healthcare fortification

Outcomes

At Balrampur, we believe that the effectiveness of our outcomes are reflected in the following:

- Our farmers commence their day with a purpose and end with a sense of accomplishment
- The families of farmers prosper and their children receive quality education and employment
- Our partners and communities are healthy and nourished
- Our environment is preserved and nurtured with sustained effort
- Our implementation partners trust and are happy to associate with us

Qualitative transformation of our interventions

Stronger academic engagement

- Decline in the academic dropout rate
- Improved learning outcomes
- Enhanced student Happiness Quotient
- Cleaner toilets; better hygiene and attendance
- Increased general awareness
- Better digital awareness

Improved agriculture practices

- Training in use of modern equipment
- Better soil quality
- Increased time efficiency
- Improved quality & quantity of yield
- Increased incomes

Better health care

- Lower illness frequency
- Higher livelihood productivity
- Enhanced medicine affordability
- Shorter distance between healthcare facility and patients
- Lower incidence of critical illnesses and diseases
- Better personal health & hygiene habits

Cleaner environment

- Cleaner surroundings
- More water for daily use & hygiene
- Better night safety
- Greater use of solar lamps for community learning
- Lower incidence of water-borne infections

Big numbers

55 Schools renovated

3500 Farming equipment distributed

42 Medical camps organised

13 Community ponds cleaned and renovated

180 Solar lamps installed

75000 Students benefited

5000 Farmers reported average increased income by 37.8%

25936 Individuals received medical diagnosis

Project Nayi Ummeed with Balrampur Foundation

Project Nayi Umeed is a beacon of hope for India's rural population and communities. Project Nayi Ummeed endeavours to improve life quality for rural Uttar Pradesh residents through knowledge, tools, technologies, services and awareness.

Project Nayi Ummeed is guided by the principle of 5Es (empowerment, education, engineering, energy and environment).

Empowerment: Focus on making farmers self-sufficient through knowledge leading to improved agricultural practices (crop diversification, increased yields)

Engineering: Focus on enhancing technology access (tools and techniques) that improve yields, soil quality, water consumption efficiency and supplementary income sources). The equipment comprised power harrow, trash mulcher, battery-operated spray machines, tippler, small tractor + cultivator, mini reverse forward rotary tiller and gun spray machine.

Education: Focus on providing quality education and improved learning outcomes; constructed/renovated schools, computer labs, built toilets for boys and girls, provided safe drinking water, installed sanitary napkin incinerators and dispensers, printers, capacity building for teachers, training in addressing the needs of differently-abled children and promoting school champions.

Energy: Focus on providing basic healthcare facilities for women and children (general health camps, free medicines, referral to hospitals, capacity building of health workers and specialised health camps)

Environment: Focus on the superior management of natural resources, conserving the soil, water and natural habitats (canal and pond cleaning, installation of solar lamps and hand pumps, charities and donations to organisations engaged in animal welfare and cattle care as well as soil restoration)

What we provided farmers

102 Cultivators

98 Trash mulchers

461 Small tractors with accessories

189 Other equipment

1051 Trippler trolleys

342 Pumping sets

43 Laser levellers

933 Power spray machines

*The data are from Social Impact Assessment Report issued on May, 2021.

How Nayee Ummeed is helping transform destinies

"I was 12th class pass but was compelled to run a vegetable shop to make ends meet, saving no more than ₹200-250 a day. I now own a Traveller and save around ₹2000-3000 per day. *Sub Balrampur Chini ki badaulat*."

Onkar Yadav
Shankarpur

"I own a tractor under the Balrampur Foundation's agricultural development initiative. I deploy this across my farm and in renting to others. I save ₹1.5 Lacs a year and send my brother to a better school."

Gorakh Prasad
Baalpur

"I used to run an auto rickshaw in Chandigarh and could never save more than ₹300-400 a day. I learned about the Foundation's initiative and returned to my village to own a tractor and a tippler. I now save ₹1500 per day and send two children to a big private school."

Manoj Kumar
Gangora

"I went to UAE to make ends meet but could not earn enough and returned. With the help of two tipplers I received from the Foundation I now support a family of 5 and work efficiently on 10 bighas. I am happy that I get to be with my family and earn a good living."

S.P. Yadav
Balrampur

"Balrampur Foundation has helped enhance standards of education. The Foundation renovated classrooms, repaired the roof, provided furniture and built toilets, ensuring dignity in imparting education."

Soni Verma
In charge, Prarthamik Vidyalaya, Dhautaulia

"I enjoy studying on a bench and table provided by the Foundation. I feel safe being in a school where a separate toilet has been provided for girls."

Anshika Shukla
Student class 8, Junior High School, Jatauli, Gonda

Project Nipun with National Skill Development Council (NSDC)

Under the Skill India Mission program of Government of India, Project Nipun has been conceived with National Skill Development Council (NSDC) towards the training of 1000 women for enabling their livelihood opportunities in the retail sector.

The following are the desired outcomes of the project:

- Personality development of the female trainees towards Job Readiness in terms of basic skills, social skills and people skills.
- Identifying job opportunities for trainees and employment progression through continuous tracking, monitoring and counselling.
- Enhancing awareness of the livelihood opportunities through skill development programmes ensuring outreach in the desired target segment of underserved focusing on dropouts and unemployed candidates.

These programmes have resulted in more than 700 underprivileged women earning an average monthly income of INR 10850.

Mobile Science Laboratory Project with Agastya International Foundation

The Company, in association with Agastya Foundation, is running four mobile science laboratories in Balrampur, Barabanki, Lakhimpur Kheri and Gonda. The mobile science laboratory visits schools in rural areas that do not possess any infrastructure and equipment to conduct practical classes for science. Agastya is offering outreach programs through online platforms. The EPL initiative (Explore, Play & Learn) promotes self-learning and the self-exploration capacities of students through household materials and daily life situations. A capacity building workshop, digital summer camps and special programmes were conducted by Agastya under this project.

Response to Agastya Foundation's projects

"The programs in Gonda by Agastya International Foundation for Balrampur Foundation enhanced curiosity among children."

Jagdamma Prasad Yadav
Assistant teacher, Gonda.

"During the pandemic, Agastya's online sessions for children proved beneficial because the topics were taught using experiments."

Suraj Kumar
Teacher

"The science lab educated interesting aspects of science and when I tried them on my own, I understood the concepts clearly."

Jyoti Maurya
Student, Class 9

"These online sessions represent a sound platform for students as they learn science, understand concepts better and can try models at home by themselves."

Rahul Kumar Pandey
Science teacher

Case study

Barriers broken

"I CAN HAVE EXTENSIVE DISCUSSIONS AND KEEP VALIDATING. I EXPERIENCED THE TOPIC DURING MY AGASTYA CLASSES"

Manish Gautam

Student of class 8,
UPS LOLPUR KATRA,
NAWABGANJ, GONDA

Background

Manish Gautam is a student of class 8 at UPS Lolpur Katra in Nawabgunj in Gonda.

His father is a farmer; his mother a home maker.

Learning barriers

Manish is addressing his growing curiosity about the world around him through Agastya classes.

Manish says that Agastya classes have been a 'locomotive' in building his love for science. Earlier he had issues asking questions and answering. These issues were resolved by Agastya. He learns with comfort and ease today.

Manish shares his Agastya learning experience: "Topics like light and astronomy were taught using daily-life examples. A hands-on learning experience has given me the confidence to discuss these topics with others. I explained the concept to friends using available materials. They were amazed by my confidence and that I was validating my points with necessary demonstrations drawn from the Agastya classes."

Manish adds: "I worked on a project related to farmers spraying medicines on their fields. I was curious about the medicine spraying machine being heavy. I made a model of a hydraulic pressure machine that farmers could use more easily. I exhibited this model at a science fair organised at school. I was applauded for the idea. In another science fair, I explained the phenomenon of the eclipse; a photograph was published in a local newspaper and shared with my friends and family members who were impressed."

"I enhanced an awareness about keeping our surroundings clean. I made a parrot cage model and told observers how a parrot sitting in a cage is related to our brain. After taking Agastya's class, my interest in science has increased; science is now my favourite subject!"

This is Manish's closing statement: "COVID-19 may have impacted the world but Agastya has been saving lives and spreading knowledge."

Manish Gautam's aspiration?

'To become a scientist!' he says.

Our response to the pandemic (COVID-19)

Our response to the pandemic was showcased through a solidarity with the Government, addressing the humanitarian needs of the community through direct support and collaborations with different organisations.

Management discussion and analysis

Global economic review

The global economy reported a de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the worst contraction since World War II. This sharp decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activity due to the pandemic-induced lockdown. This led to supply chain disruptions across the globe, resulting in the de-growth of some of the largest global economies.

Global FDI reported a significant decline from $1.5 trillion in 2019 to $859 billion in 2020, the lowest since the 1990s and was more than 30% below the investment trough that followed the 2008-09 global financial meltdown. The contraction of the global economy had an adverse effect on the informally employed and the contract-intensive sector.

In 2020, global economic activity was affected by the pandemic, resulting in a contraction of 3.3% after a slow growth 2.9% in 2019. G20 countries experienced an aggregate slowdown of (-) 3.2%, with the Euro area contracting by (-) 6.8%, UK by (-) 9.9%, Japan by (-) 4.8% and the US by (-) 3.5%. Among major economies, India contracted by (-) 7.3% while China was the only major economy to record a growth of 2.3% in 2020.

The global economy reported a de-growth of 3.5% in 2020 compared to growth of 2.9% in 2019, the worst contraction since World War II.

Global economic growth over five years

Year	2016	2017	2018	2019	2020
Real GDP growth (%)	3.1	3.8	3.6	2.9	(3.5)

Outlook

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the world, coupled with stimulus packages in large economies.

Indian economic review

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

At the start of 2020, India was the third largest global economy by Purchasing Power Parity (PPP); its economic growth rate was the fastest among major economies (China); its market size at 1.36 billion, the second largest in the world; its rural population of the under-consumed is the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the third week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.36 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

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

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, the recovery was not merely linear and across-the-board. As controls relaxed what the country observed was a new normal: where individuals were encouraged to work from home; where inter-city business travel was replaced by virtual engagement; where a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

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's economy returned to growth in the December quarter, ending a recession induced by two successive quarters of economic contraction, and the recovery, which the government termed as 'V' shaped, is expected to gather pace. The Gross Domestic Product (GDP) grew 0.4% in the October-December 2020 period compared with the same period a year back.

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

The Indian government moved with speed to arrest the spread of the pandemic, providing its health care sector adequate time to strengthen safeguards. The result is that India escaped with a relatively low pandemic impact given its large population; by the close of 2020-21, the number of recorded infected cases and fatalities had declined substantially as a per cent of the overall population.

Y-o-Y growth of the Indian economy

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Real GDP growth (%)	7	6.1	4.2	-7.3

Growth of the Indian economy, 2020-21

	Q1, FY 2020-21	Q2, FY 2020-21	Q3, FY 2020-21	Q4, FY 2020-21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

Economic developments

India began to report improving Goods and Services Tax (GST) collections month-on-month following the relaxation of the lockdown.

The per capita income was estimated to have declined by 5% from ₹1.35 Lacs in 2019-20 to ₹1.27 Lacs in 2020-21. A sharp slowdown in economic growth and a surge in inflation reflected on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2.83% in 2020 from ₹71.28 to ₹73.30 levels before recovering towards the close of the financial year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to reach a value of US$57 billion in 2020, the digital sector being the biggest catalyst. The gap between government expenditure and revenue was estimated at ~₹12 trillion (7.5% of GDP) due to increased borrowing by the government in May 2020 to deal with the COVID-19 outbreak.

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

Reforms

The government sustained a number of economic reforms to revive investor sentiment. The government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to benefit MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks.

Under the ₹45,000-crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies. Emergency Credit Line Guarantee Schemes of ₹1.1 Lacs crore were announced.

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, is 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) Act, 2020, to ensure barrier-free trade in agriculture produce outside the markets notified under the various state agricultural produce market laws (state APMC Acts)

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 of ₹1.97 Lacs crore for 13 key 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 investments in modern technology, catalysing India's journey towards becoming a global player.

Outlook

The Indian economy is projected to grow by more than ~8-9% in FY 2021-22, slower than the projected 12.5% on account of the impact of the second surge of the pandemic in the first quarter of the current financial year.

Overview of global sugar production

Global production for marketing year 2021 is expected to reach 182 million tons, a ~16 % growth over the previous year's produce of 153 million tonnes. The worldwide industrial shutdown due to the pandemic caused a sharp fall in fuel demand, which in turn reduced the demand for ethanol, causing a corresponding increase in sugar production, particularly in Brazil. Although the demand for sugar declined at the beginning of the pandemic, it rebounded in the latter half of 2020 due to stockpiling, import relaxations and government aids. The consumption is expected to increase ~2.6% to approximately 174.19 million tonnes. Growth in Asian markets (India, China, Iran and Indonesia) could largely contribute to strengthening consumption. Exports are expected to grow on the back of rising demand and supply.

Brazil: Brazil sugar production was ~36.5 million tonnes in 2020-21 owing to favourable weather and superior returns for sugar over ethanol. The pandemic-induced lockdown reduced fuel use so 48% of the sugarcane crop was processed for sugar and 52% for ethanol compared to the previous year's 35% and 65%, respectively. While consumption was expected to be down, stocks and exports were forecast to rise with greater availability of supplies

Thailand: Thailand's sugar production is expected to decline 5% to 7.8 million tonnes largely because of a drought which reduced yields, area and extraction rates. Consumption is expected to rise because of higher demand for direct sugar consumption and food services. Exports are expected to rise marginally while stocks are expected to reduce for a consecutive second year.

EU: The production declined for the third consecutive year and is expected to reach approximately 15.7 million tonnes. The drop in sugar yields was largely to a three-year drought coupled with damages caused from the yellow virus disease, which affected France. The consumption was stagnant and imports estimated to be higher, owing to the decline in production.

USA: USA is the world's second largest consumer of sugar. Greater production in yields for sugarcane and sugar beet has resulted in a Y-o-Y 10% increase in sugar production to 8.2 million tonnes. Sugar imports are expected to decrease by 25% owing to higher domestic production and decreasing consumption forecast.

Indian sugar industry

India continues to be the second-largest sugar manufacturer in the world with an estimated produce of 30.8 million tonnes in the Sugar Year 2020-21. A greater availability of sugarcane contributed to the 13% increase from the previous year's produce of 27.4 million tonnes. This was after considering a diversion of ~2.0 million tonnes of sugar towards B-heavy route molasses and direct cane juice for producing ethanol. During sugar season 2020-21, 502 sugar mills engaged in crushing operations as against 453 mills in the previous year. The Indian sugar industry employs approximately 12% of the Indian rural population in nine states (Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh, and Tamil Nadu).

India is expected to remain the largest consumer of sugar. The government's role in fixing sugarcane prices to support farmers, as well as deciding the minimum domestic sugar prices, played a major role in the development of this sector.

Sugar Balance Sheet, 2020-21 (in million tonnes)

Opening stock	10.7
Estimated production during sugar season 2020-21	30.8
Sugar availability	41.5
Estimated domestic consumption	26.0
Targeted exports during sugar season 2020-21	6.8
Closing stock	8.7

Sugar opening stock, production, consumption and closing stock in India over the years (in million tonnes)

Year	Opening balance	Production	Consumption	Closing balance
2011-2012	5.85	26.3	22.6	6.60
2012-2013	6.60	25.1	22.8	9.3
2013-2014	9.3	24.4	24.2	7.47
2014-2015	7.47	28.3	25.6	9.08
2015-2016	9.08	25.1	24.8	7.75
2016-2017	7.75	20.3	24.5	3.88
2017-2018	3.38	32.5	25.4	10.72
2018-2019	10.72	33.16	26	14.5
2019-2020	14.5	27.4	25.3	10.7
2020-2021	10.7	30.8 (E)	26 (E)	8.7(E)

(E): Estimated

Performance of major sugar producing states in 2020-21

Maharashtra: Maharashtra is the largest sugar producing state in India. Maharashtra produced ~10.7 million tonnes of sugar, a 75.4% increase from the previous year's output of 6.1 million tonnes. The increase was largely attributed to a better than average monsoon in 2020 and early rainfall in 2021 and ~40% more cane planted owing to abundant water availability.

Uttar Pradesh: In Uttar Pradesh, the sugar output was ~11 million tonnes, 13% lower than the previous year's produce of 12.6 million tonnes. The production decline was largely due to rainwater-stagnated sugarcane fields that caused pest infestation and a diversion of cane and sugar towards production of ethanol.

Karnataka: In Karnataka, the production of sugar is expected to be ~4.3 million tonnes as compared to 3.8 million tonnes produced last season.

Sugar exports and imports

India exported approximately 5.8 million tonnes of sugar against the government target of 6 million tonnes for Sugar Season 2019-20. During the current season too India is expected to export 6.8 million tonnes. Compared to Sugar Season 2019-20, global sugar prices improved in 2020-21, which may enable India to achieve export target of 6.0 million tonnes announced this season.

Sugar exports (in million tonnes)

Sugar Season	Export
2018-19	3.8
2019-20	5.8
2020-21	6.8

Market dynamics

The Indian Government increased the Fair and Remunerative Price (FRP) of sugarcane for Sugar Year 2020-21 to ₹285 per quintal from ₹275 per quintal in 2019-20. For recovery rate less than or equal to 9.5%, the government fixed the farmer's earning at ₹270.75 per quintal for sugarcane in the current season instead of ₹261.25 per quintal. The new FRP was applicable for sugarcane purchase in the Sugar Year 2020-21.

FRP (in ₹ per quintal)

Year	FRP
2018-19	275
2019-20	275
2020-21	285

Indian ethanol sector overview

Ethanol production rose to 2.9 billion litres in 2020 as against 2.55 billion litres in 2019. India's ethanol blending program will enable the decline of oil imports, reduce carbon emissions and help strengthen sugar prices. The government aims to blend 10% of ethanol with petrol by 2022 and blend 20% of ethanol with petrol by 2025 through encouraging schemes and policies.

In 2020-21, Oil Marketing Companies signed contracts for 3.46 billion litres. The Indian ethanol market is expected to grow to $ 7.38 billion by 2024, at a CAGR of 14.50% during 2019-2024.

India's ethanol used as beverage, fuel, and other industrial chemicals (in million litres)

Year (January-December)	2015	2016	2017	2018	2019
Beginning stocks	75	61	128	146	222
Production	2292	2061	1671	2693	3000
Imports	204	432	718	633	750
Exports	165	136	141	130	100
Consumption	2345	2290	2230	3120	3820
Fuel consumption	685	1110	675	1600	2400
Use of gasoline	29651	33265	35956	39015	41596
Blending rate (%)	2.3	3.3	1.9	4.1	5.8
Ending stocks	61	128	146	222	52

Co-generation

Sugar cane crushing generates bagasse, which is used in power co-generation. The prudent use of bagasse marked by reduced transmission and distribution losses, no carbon emissions, low fuel cost, fuel diversity and energy security represents a cleaner alternative energy source.

Government initiatives

To address the excess sugar inventory in the country and to aid exports of sugar, the government announced a ₹3500 crore export assistance scheme to help indebted mills pay sugarcane farmers in 2020-21.

In the sugar season 2020-21, the government rolled out financial assistance of ₹6000 per tonne of sugar for millers as against an announcement of ₹10,448 per tonne of sugar in season 2019-20. The said assistance has now been revised to ₹4000 per tonne of sugar for the export contracts being entered on or after 20th May, 2021. These schemes benefitted around 5 crore farmers and their families along with 500,000 workers.

Company review

Balrampur Chini Mills Limited is among the premier sugar mills of India. The Company is a broad based and integrated sugar company with extensive interests in sugar and ethanol production as well as power co-generation. Over the years, the proportion of non-sugar revenues in the overall revenues of the Company has increased, broadening the Company's profile and strengthening its counter-cyclicality.

The Company has 10 manufacturing facilities across East and Central Uttar Pradesh. The Company's operations have been marked by the element of 'stretch', reflected in the ability to generate more from less. The result is that the Company is a resource-respecting organisation with corresponding improvements in recovery, operating efficiency, cost management, gearing, cash flows and operating margins.

The result is that the Company has been a prominent value-creator in the country's agriculture sector.

Financial overview

Analysis of the Statement of Profit and Loss

Revenues: Revenues from operations reported a 1.48% growth from ₹4741.29 crore in 2019-20 to ₹4811.66 crore in 2020-21. Other income of the Company reported a 13.23% decline and accounted for a 0.69% share of the Company's total income, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses increased by 0.57% from ₹4224.91 crore in 2019-20 to ₹4249.00 crore due to increased scale of operations and investments. Raw material costs, accounting for 82.65% share of the Company's total expenses, increased by 1.38% from ₹3464.16 crore in 2019-20 to ₹3511.86 crore in 2020-21 owing to an increase in the operational scale. Employee expenses, accounting for a 6.63% share of the Company's total expenses, increased by 10.89% from ₹254.00 crore in 2019-20 to ₹281.65 crore in 2020-21. Depreciation and amortisation expenses, accounting for 2.63% of Company's total expenses,increased by 10.31% to ₹111.88 crore. Other expenses accounting for 8.48% of Company's total expenses increased by 18.53% from ₹303.84 crore to ₹360.14 crore, which was mainly on account of expenses incurred by the Company towards fulfilment of the terms and conditions of the Maximum Admissible Export quantity announced by the Central Government during the year.

Analysis of Balance Sheet

Sources of funds

The capital employed by the Company declined by 1.53% from ₹3824.24 crore as on 31st March, 2020 to ₹3765.74 crore as on 31st March, 2021 owing to decreased borrowings. Return on capital employed, a measurement of returns derived from every rupee invested in the business, decreased by 286 basis points from 15.23% in 2019-20 to 12.36% in 2020-21.

The net worth of the Company increased by 8.35% from ₹2317.41 crore as on 31st March, 2020 to ₹2510.85 crore as on 31st March, 2021, owing to an increase in reserves and surplus. The Company's equity share capital, comprising of 21 crore equity shares of ₹1 each, reduced by 1 crore equity shares owing to buy-back.

Long-term debt of the Company decreased by 18.88% to ₹363.53 crore as on 31st March, 2021, owing to scheduled repayment of borrowings. The long-term debt-equity ratio of the Company stood at 0.14 in 2020-21 compared to 0.19 in 2019-20.

Finance costs of the Company decreased by 38.76% from ₹64.17 crore in 2019-20 to ₹39.30 crore in 2020-21 owing to lower interest rates, lower borrowings and healthy cash flows.

Applications of funds

Fixed assets (Gross) of the Company increased by 3.84% from ₹2128.85 crore as on 31st March, 2020 to ₹2214.14 crore as on 31st March, 2021 owing to an incremental capex during the year. Depreciation on tangible and intangible assets increased by 10.31% from ₹101.42 crore in 2019-20 to ₹111.88 crore in 2020-21 owing to an increase in fixed assets during the year under review.

Investments

Non-current investments of the Company reduced from ₹179.79 crore as on 31st March, 2020 to ₹177.13 crore as on 31st March, 2021 owing to a buy-back of shares of an associate of the Company.

Working capital management

Current assets of the Company decreased by 5.55% from ₹2916.37 crore as on 31st March, 2020 to ₹2754.38 crore as on 31st March, 2021, mainly owing to a reduction in export claims receivables and income tax refundable, which was there in previous year. The Current and Quick ratios of the Company stood at 1.63 and 0.22 respectively at the close of 2020-21, compared to 1.46 and 0.31 respectively at the close of 2019-20.

Inventories including raw materials, work-in-progress and finished goods, among others, increased by 3.64% from ₹2294.97 crore as on 31st March, 2020 to ₹2378.46 crore as on 31st March, 2021, owing to an increase in sugar inventory, coupled with the value of by-products, wherein the quantity of B-heavy molasses increased. The inventory cycle improved from 188 days of turnover equivalent in 2019-20 to 186 days of turnover equivalent in 2020-21.

Growing business volumes resulted in an increase of 2.58% in trade receivables from ₹239.29 crore as on 31st March, 2020 to ₹245.46 crore as on 31st March, 2021. The Company contained its debtor turnover cycle within 18 days of turnover equivalent in 2020-21 compared to 27 days in 2019-20.

Cash and bank balances of the Company reduced by 70.07% from ₹1.49 crore as on 31st March, 2020 to ₹0.45 crore as on 31st March, 2021.

Trade and other payables decreased by 12.02% from ₹677.95 crore as on 31st March, 2020 to ₹596.45 crore as on 31st March, 2021 owing to faster clearance of sugarcane dues. Other financial liabilities decreased by 2.97% from ₹165.84 crore as on 31st March, 2020 to ₹160.92 crore as on 31st March, 2021.

Margins

Reduced cost absorption, due to a drop in recovery, impacted margins during the year. However, EBITDA margin of the Company improved by 46 basis points from 14.38% in 2019-20 to 14.84% while the total comprehensive income margin of the Company reduced by 84 basis points to 9.75% due to higher tax provisions in 2020-21 compared to 2019-20.

SWOT analysis of Indian sugar industry

Strengths	Weaknesses
▪ Sugar cane is among the most profitable cash crops in India ▪ India is the second-largest sugar producer and the largest sugar consumer in the world ▪ The sugar industry supports downstream sectors and a large Indian rural ecosystem ▪ The Indian sugar industry is now recognised as a local economy driver by the government	▪ Much higher cane price in comparison to global standards ▪ Much of the industry uses legacy technology ▪ Most mills are under-capitalised
Opportunities	**Threats**
▪ India's per capita sugar consumption is lower than the global average ▪ Better farm practices can significantly increase yield and recovery ▪ Mandatory ethanol blending program of the government is driving ethanol offtake ▪ Technology upgradation for by-product utilisation is enhancing yields	▪ Climate change altering cropping and yields ▪ Policy formulation in the sector is often driven by political rather than economic considerations ▪ The sector is monsoon-dependant ▪ Lack of infrastructure often makes cane farming dependent on climatic vagaries

Key ratios

Particulars	2019-20	2020-21
Operating Profit Margin (%)	14.38	14.84
Net Profit Margin (%)	10.59	9.75
Debt-equity ratio	0.19	0.14
Return on net worth (%)	23.11	19.44
Return on capital employed (%)	15.23	12.36
Book value per share (₹)	107.75	122.09
Earnings per share (₹)	22.98	22.01
Debtors Turnover Ratio	13.76	19.85
Inventory Turnover Ratio	1.82	1.84
Interest coverage ratio (x)	10.63	18.17
Current Ratio (x)	1.46	1.63
Debt service coverage ratio (x)	6.10	4.83
Price / earnings (times)	4.53	9.75

Reasons for major variation:

1. Debt-equity ratio
The ratio improved owing to repayment of borrowings during the year.

2. Debtors turnover ratio
Decrease in debtors due to quicker realization of Cogen dues.

3. Interest coverage ratio
Increased primarily due to increase in operating profits and reduction in finance cost.

Risks and concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, safety, values and code of conduct. The Company's employee strength stood at 5920 as on 31st March, 2021.

Investor engagement

The Company has a robust investor outreach program through which it engages with a broad range of investors domestically and overseas. This is aimed at helping investors address information asymmetry about recent development in the sector, thereby helping them arrive at a fair valuation of the Company's stock. In FY 2020-21, the Company was quick to embrace virtual meetings for its investor outreach, including meetings, analyst calls and conferences. Quarterly, half-yearly, and annual results were intimated to the stock exchanges and published in leading Indian newspapers. The quarterly earnings releases were accompanied by earnings calls.

Environment

The Company's plants adhered to all government regulations. A dedicated EHS officer was deployed at each plant to ensure compliance with the norms pertaining to employee health and safety. All the Company's plants were certified for employee health and safety. The Company conducted safety training drills for all operators and employees at the time of their induction.

Cautionary statement

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

How we manage risks at our Company

Overview

The subject of risk management is increasingly relevant in view of the uncertainties affecting economies and businesses. This aspect is gaining increased relevance in a world where businesses and realities are marked by a larger number of uncertainties (Black Swans). At BCML, business sustainability is derived through the proactive identification of probable business downsides and their de-risking. The more competently we manage these risks, the stronger our capability to weather market cycles and the various unforeseens. The 'how' influences the 'what': the process influences the effectiveness of risk mitigation at our Company.

This is particularly critical in the sugar and derivatives industry warranting the management of diverse variables. At BCML, we believe that this consistency is derived from a corporate consistency: the enunciation of a stable strategy, focus on long-term business sustainability over short-term profitability and a clear understanding across all stakeholders of the doables and non-doables within the Company's operating matrix.

At BCML, our risk management practices are founded on our guiding principles, which we consistently strive to apply across all our risk categories. The purpose of the Company's Risk Management Committee is to ensure that the executive management team has a risk management framework in place that includes policy, procedures and assessment methodologies that helps the Company monitor and manage organisational risks effectively.

This predictability has enhanced process stability, effort outcomes and strengthened corporate sustainability. In view of this, risk management is not peripheral to the Company's existence but integral to it; it is not just a short-term priority but a long-term essential.

Blueprint

At BCML, we believe that a documented framework represents the heart of our governance commitment.

This documentation of our intent is a statement of all that we stand for and how we intend to conduct business. Over the years, we have documented this intent through various policies addressing all our stakeholders. On the one hand, we have created an overarching conduct code on how we – collectively and individually – will engage across a range of operations. On the other hand, we have identified all process interventions, codified them and laid down multi-step guidelines on how these processes need to be conducted. Besides, we have detailed this process roadmap with an extensive documentation discipline that has strengthened a review process that has helped correct deviations with speed, shrunk the learning curve, enhanced process predictability and identified benchmarks leading to sustainable improvement. The result is a systems-driven organisation, enhancing sustainability.

Over the years, the Company instituted a systematic risk management approach. This comprised the creation of a Risk Management Team to periodically appraise various changes in the external and internal environment and suggest commensurate counter-measures. In line with this, the Company's Risk Management Framework is reviewed periodically and modified as and when required.

At our Company, we have extended our understanding of risks from the strategic and the macro to the micro – right down to the transaction level. In doing so, the Company has widened risk understanding from the Board to the individual employee level, strengthening preparedness and mitigation.

Risk management organisation, roles and responsibilities

At BCML, the corporate policy (and in effect our ability to manage organisational risk) is framed by our Board of Directors, comprising esteemed professionals with vast industry experience. Our governance principles, including overall risk tolerance, are directed by the Board of Directors. Our Board is assisted by various committees with specific functions like Risk Management Committee, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, which also includes Board member(s) who report their findings to the Board of Directors. As a governance initiative, we ensure that members within our risk management structure are acquainted with our risk strategy and processes, ensuring complete transparency as well as improved ability to manage everyday risks. Our risk governance boosts the development and maintenance of an effective risk and control culture.

Strategic implementation and the risk management cycle

The Company has functional risk management teams focused on the implementation of risk management at the operational level - identification, measurement, analysis and assessment. Our risk reporting, limitation (reduction to a level we have deemed appropriate) and monitoring enables us to closely follow all major risks.

Risk identification: At BCML, risks are identified with the help of relevant systems and indicators (quantitative component). Besides, our intrinsic reporting protocol makes it possible for our executives to report risks as and when they recognise them.

Risk measurement: We consistently reinforce our risk measurement tools for each business function. The risks are measured at organisational and functional levels based on the risk perception of the functional teams.

Analysis and assessment: At BCML, it is vital that our risk management practices are efficient enough to enhance our financial performance. In this way, our financial performance is a testimony of the efficiency of our risk management and operating model.

Risk reporting: At BCML, we periodically evaluate and report the effectiveness of our risk management to the Risk Management and other Committees covering category-wise risk and the overall risks. This can generate early alerts to counter the risks.

Risk management functions
The Risk Management Committee performed the following functions:

- Supervising, guiding, reviewing and identifying current and emerging risks;
- Developing risk assessment and measurement systems;
- Establishing policies, practices and other control mechanism to manage risks;
- Reporting results of risk to senior management and the Board; and
- Reviewing and identifying risk in other emerging areas

Implementation
During the period under review, Risk Management Committee held 2 meetings. The Company's Board-approved Risk Management Policy comprised material risks faced by the Company that were identified and assessed. The Company set up a policy framework for ensuring better management of its asset and liability profiles

Risk management structure

Risk identification	Risk assessment	Development, implementation and follow up of risk management activities	Monitoring
Definitions and descriptions of risk elements (including sources, events, causes, and implications)	Analysing risk, implications, and forms of impact on achievement of goals	Developing, implementing, and following up to achieve goals and aligning the risk management system to desired risk appetite levels	Supervising the identification, assessment, implementation, and follow-up of risk management activities

Key risks and their mitigation

External risks

Key risks	Strategic objectives impacted	Risk management
Industry risk Slowdown in offtake could impact business growth	▪ Business growth ▪ Corporate stability ▪ Credit rating	▪ India is the second largest sugar consumer in the world ▪ India's per capita sugar consumption is below the global average ▪ India has an ethanol blending target of 20% by 2025
Climatic risk Climatic vagaries could impact cane availability, quality and recovery	▪ Financials ▪ Operating cost	▪ The Company is located in Uttar Pradesh (East and Central), ideal for cane cultivation ▪ The Company encourages farmers to plant early maturing cane varieties (can grow faster and in less water)
Regulatory risk A change in the regulatory environment could impact operations	▪ Long-term viability ▪ Financials ▪ Corporate respect	▪ The government has announced a long-term Biofuel Policy ▪ The Company complies with all regulatory measures ▪ The Company recycles and reuses process water to reduce freshwater drawal ▪ The Company has made all its units zero liquid discharge (ZLD)
Raw material risk Inability to procure adequate cane from command areas could impact sustainability	▪ Operating cost ▪ Financials	▪ The Company has crushed growing quantities of cane year-on-year for some years ▪ The Company has a policy of paying farmer dues within 14 days of delivery ▪ The Company has more than 95% of its command area under the early cane variety ▪ The Company possesses an adequate molasses stock to address distillery requirements and adequate bagasse to meet cogeneration requirements ▪ The Company has invested consistently in cane development
Business cycle risk The sector could be impacted by cyclical factors	▪ Business sustainability ▪ Balance Sheet quality ▪ Access to bank funds ▪ Credit rating	▪ The Company invested in distillery and cogeneration operations to defray its dependence on a single business ▪ The Company shifted to the B-heavy molasses route, which is more remunerative

Internal risks

Key risks	Strategic objectives impacted	Risk management
Human capital risk Inability to attract and retain talent could impact prospects	▪ Business sustainability ▪ People capital	▪ The Company's structured human resource policy attracts and retains talent ▪ The Company has developed the prospect of a company that is professional and yet humane, strengthening talent retention

Key risks	Strategic objectives impacted	Risk management
Operational risk Inefficient operations could impact business performance	▪ Operating cost ▪ Financials	▪ The Company has implemented SOPs across the organisation to drive efficiency ▪ The Company reported a post-diversion to B-heavy recovery of 10.63% in 2020-21, one of the highest in Eastern and Central Uttar Pradesh
Information technology risk Incompatible information technology approach could lead to financial, process or reputation loss	▪ Business sustainability ▪ Sectoral under-performance	▪ The Company was among the first in India's sugar industry to migrate to SAP S/4 HANA ▪ The Company has IT-driven disaster recovery systems in place to ensure business continuity ▪ The Company ensures data security by having identity and access control, authorisation matrix and all critical business data (user data and application data) are backed to ensure information security
Foreign exchange fluctuation risk Foreign exchange volatility could lead to unwarranted losses	▪ Financial	▪ The Company's operations do not generally entail foreign exchange risks ▪ The Company hedges long-term and short-term foreign exchange exposure ▪ For exports undertaken by the Company, the Company's exposure in foreign currency hedged
Finance risk Inability to fund finance business expansion could impact business plans	▪ Financial ▪ Business sustainability	▪ The Company maintains a lean Balance Sheet with a long-term debt-equity ratio of 0.14 ▪ The Company repaid ₹83.37 crore of long term loan during the year ▪ The Company has been selling as per its monthly quota to maximise cash flows ▪ The Company strengthened its internal control system, commensurate with the nature of its business and size of operations
Segment volatility risk Weakness in any one of the segments of the Company's presence could affect prospects	▪ Financial ▪ Sustainability ▪ Credit rating	▪ The Company's business is spread across three revenues streams (sugar, distillery and co-generation), spreading the risk wider ▪ The non-sugar portion of the business accounted for 26.7% of revenues in FY 2020-21 and is likely to rise further
Debt and liquidity risk The Company may excessively leverage its Balance sheet, affecting viability	▪ Financial ▪ Sustainability ▪ Credit rating	▪ The Company maintains a lean Balance Sheet; long-term debt equity ratio was 0.14 as on 31 March, 2021 ▪ The Company repaid ₹83.37 crore of long-term loans during FY 2020-21 ▪ The Company has been selling sugar as per its monthly quota to maximise cash flows ▪ A large part of the Company's investment in expansion (distillery) has been funded by concessional debt from the government

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31st March, 2021

Dear Shareholders

Your Directors have the pleasure of presenting their report as a part of the 45th Annual Report, along with the Audited Accounts of the Company for the year ended 31st March, 2021.

Financial results

The financial results of the Company are summarised below

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	**4,81,165.70**	**4,74,129.40**	**4,81,165.70**	**4,74,129.40**
Profit before finance costs, tax, depreciation and amortisation and other comprehensive income	74,728.13	72,051.60	74,075.42	72,584.11
Less: Finance costs	3,929.59	6,417.02	3,929.59	6,417.02
Less: Depreciation and amortisation expense	11,187.64	10,141.73	11,187.64	10,141.73
Profit before share of profit of associates and tax	-	-	58,958.19	56,025.36
Add: Share of profit of associates	-	-	1,959.77	780.67
Profit before tax	**59,610.90**	**55,492.85**	**60,917.96**	**56,806.03**
Less: Tax expense	12,633.68	4,564.67	12,938.96	4,870.59
Profit for the year	**46,977.22**	**50,928.18**	**47,979.00**	**51,935.44**
Other comprehensive income (net of tax)	(55.71)	(701.39)	(55.62)	(689.56)
Total comprehensive income for the year	**46,921.51**	**50,226.79**	**47,923.38**	**51,245.88**

Dividend and its Distribution Policy

In terms of the Dividend Distribution Policy of the Company, the Board of Directors of the Company declared an interim dividend of 250% (i.e. ₹2.50 per share on Equity Shares of the face value of ₹1/- each) for the financial year ended 31st March, 2021. Total outgo on the interim dividend was ₹5250.00 Lacs. The said Policy is available on the website of the Company at the following web-link:

https://chini.com/sustainability/governance/policies/

The Board has not proposed any final dividend for the financial year ended 31st March, 2021 and accordingly, the interim dividend paid during the year shall be treated as final dividend.

Reserves and surplus

The Company has transferred an amount of ₹40000.00 Lacs to the General Reserve.

Operations

The operational data of the Company for the last two sugar seasons and financial years are as under:

Particulars	Sugar Season		Financial Year	
	2020-21	2019-20	2020-21	2019-20
Sugarcane crushed (Lacs quintals)	875.17	1053.72	1032.61	1020.30
Sugar produced (Lacs quintals) *	92.47	118.90	109.79	116.73
Sugar Recovery (%) *	10.57	11.28	10.63	11.44

* Net of sugar loss due to diversion of sugarcane towards B-heavy molasses

Industry scenario and outlook

India began the sugar season 2020-21 (October to September) with an opening inventory of around 10.7 MMT (Metric Million Tonnes). Sugar production for the current season is estimated at 30.8 MMT, around 4.4 MMT higher than the previous season's production of 27.4 MMT.

Uttar Pradesh (UP), Maharashtra and Karnataka remained the three largest sugar producing states and expected to produce ~11 MMT, 10.7 MMT and 4.3 MMT of sugar in the ongoing season in comparison to the previous season's production of 12.6 MMT, 6.1 MMT and 3.8 MMT respectively.

The reasons for a lower UP production are varied: larger diversion of sugarcane to ethanol via the B-heavy molasses route, lower cane availability owing to weather conditions, onset of red rot disease in certain pockets and higher diversion of sugar cane to gur/khandsari compared to the previous year.

In spite of the Covid-19 situation, which necessitated frequent lockdowns, the domestic demand for sugar is expected to be around 26.0 MMT compared to 25.3 MMT in the previous season.

The Central Government announced the export policy for sugar albeit delayed by three months. In spite of multiple bottlenecks like shortage of containers or lower labour availability at ports due to lockdown restrictions, the sugar export from India is expected to touch 6.8 MMT during the sugar season 2020-21 in comparison to ~5.8 MMT during last season.

As a result, the carry forward stock of sugar in the country as on 30th September 2021, is expected to be around 9.5 MMT or around 4.5 months of sugar consumption.

Domestic sugar prices ranged between ₹31.50 and ₹33.50 per kg through the course of the year.

The Government sustained most policies related to sugar that had been announced in the previous years with the objective to support sugar realisations and ensure that farmers were remunerated on time.

The following policies were sustained:

- Fair & Remunerative Price (FRP) of sugarcane for the sugar season 2020-21 was revised to ₹285 per quintal from ₹275 per quintal in the previous year (linked to a basic recovery of 10%).
- State Advised Price (SAP) of sugarcane for the state of Uttar Pradesh remained unchanged at ₹315 per quintal.
- The pricing methodology for ethanol remained unchanged. Ethanol prices are announced annually by the Central Government based on a formula, which factored the price of sugar and FRP of sugarcane to calculate ethanol procurement prices. Ethanol prices are delinked from crude or petrol prices. Ethanol prices for the supply period from December 2020 to November 2021 were increased to ₹45.69, ₹57.61 and ₹62.65 per BL for ethanol produced from C-heavy molasses, B-heavy molasses and direct cane juice/sugar syrup respectively compared to ₹43.75, ₹54.27 and ₹59.48 per BL in the previous period.
- Minimum Selling Price (MSP) of sugar was first fixed at ₹29 per kg in June 2018 and later increased to ₹31 per kg in February 2019. MSP is the ex-factory price (excluding GST and transportation charges) below which no mill can sell sugar in India. Owing to India becoming a surplus sugar producer, the MSP environment is expected to continue. The Group of Ministers' recommendation to revise the MSP from ₹31 to ₹33 per kg is awaiting Cabinet approval.
- Along with MSP, stock holding limits on mills in the form of maximum monthly sale quotas continued.
- The export of 6 MMT of sugar from India, with a competitive WTO-compliant financial assistance, was announced.
- The Central Government announced differential and attractive prices for ethanol generated from damaged/surplus food grains.
- Soft loans are encouraged through banks for commissioning new distillery capacities or augmentation of existing capacities, which could facilitate higher ethanol production and reduce the sugar surplus through the diversion of B-heavy molasses and direct cane juice/sugar syrup away from sugar to ethanol.
- A higher customs duty continues against the import of sugar.
- A zero customs duty also continues for the export of sugar.
- A lower GST of 5% on ethanol.

Even as the Government remained cognizant of the health of the sugar sector and all its policy interventions were supportive, some measures are of importance to enable the industry to become self-sufficient.

- Increase the Minimum Selling Price to ₹35000 per MT to cover the all-India average sugar production cost
- Increase the blending proportion of ethanol from 10% to 12% as an interim measure before industry becomes capable of supplying ethanol in larger quantities to address the 20% blending requirement by 2025.
- Increase the price of all grades of ethanol to incentivize a higher production of ethanol to address the surplus sugar via B-Heavy molasses as well as direct cane juice/syrup routes for the next year.
- Announce export quotas for the next year in advance and supplement the same with competitive WTO-compliant financial assistance.

The Department of Food & Public Distribution, Government of India, constituted a working committee to look into the aspect of sugar cane price rationalisation and other matters to present a long-term sustainable solution for the entire sugar eco-system after due consultation.

Global scenario for 2020-21 financial year:

The 2020-21 financial year for the sugar sector did not start on a positive note. The global trade was affected by the Covid-19 pandemic and subsequent lockdowns. It was expected that there would be a serious global consumption de-growth but by May 2020, the scenario changed and raw sugar prices entered a secular bull rally. This rally was in spite of Brazilian production expected to be higher in the 2020-21 crushing season than the previous season following crop downgrades from Thailand and Europe. Raw sugar prices reported a high of 18.94c/lb in February 2021 but ended March 2021 at 15c/lb on account of increased Brazilian production cum export as well as increased Indian exports at higher realisations.

The global sugar stock position is bullish with respect to the next year and appears balanced in the near-term. The protracted dryness and rainfall failure across the CS Brazil is hinting that the 2021-22 crushing campaign would not be as good as the previous season. The consensus for the next Brazil crop is down more than 10% YoY and this could increase in case there is lower rainfall.

The demand rebound across the global sugar sector is visible as multiple companies developed anti-Covid vaccines in 2021, which signaled a revival in sentiment, economy and social engagements.

In the near term, apart from the emerging bullishness, there are some other macro parameters for a potential secular rally for agrarian crops (corn, soyabean and cane) across the globe. On the one hand, unlimited monetary easing and money supply are contributing to a structural US Dollar weakness, strengthening realisations of Dollar-denominated crops.

On the other hand, climatic volatilities are escalating supply issues for many crops and raising inflationary alarm for agro commodities.

The geo-political tensions in the Middle East and Eurasian blocks are strengthening the price of oil and constraining Brazilian millers to go all out for maximised sugar campaign as ethanol prices are rising. Thus the supply- demand dynamics appears interesting for sugar optimists.

These factors are inspiring optimism of better days, marked by crop downgrade, US Dollar weakness, oil macros and expected global economic resumption in a post-Covid world.

BCML's performance during FY 2020-21

Revenues earned from operations during the year stood at ₹4,81,165.70 Lacs as compared to ₹4,74,129.40 Lacs for the previous year, an increase of 1.48%. Revenues were stable on account of higher realisations. The distillery segment delivered robust performance. Performance from cogeneration segment was subdued owing to reduced tariff by Uttar Pradesh Electricity Regulatory Commission (UPERC). The Company earned a total comprehensive income of ₹46,921.51 Lacs during the year ended 31st March 2021 as compared to ₹50,226.79 Lacs in the previous year.

Segment-wise performance and outlook

Sugar

During the financial year ended 31st March 2021, sugarcane crushing stood at 1032.61 Lacs quintals as compared to 1020.30 Lacs quintals in previous year, an increase of 1.2% over previous year. Sugar recovery for the year stood at 10.63% as compared to 11.44% in previous year. During the FY 2020-21 the Company has diverted 675.56 Lacs quintals (65.4%) of sugarcane for producing B-heavy molasses as compared to 327.00 Lacs quintals (32.0%) in previous year, owing to which sugar recovery was lower. Had there been no diversion sugar recovery for the year would have been 11.77% as compared to 11.93% in previous year. Company's efforts to work closely with farmers and more emphasis on cane development activities enabled the Company to achieve higher proportion of early variety of sugarcane as compared in previous year. The Company is providing farmers with necessary agro-inputs so as to increase the farm yield and support clean cane quality. Influential steps were also taken to educate the farmers on modern agricultural practices.

During the year, the Company sold 113.26 Lacs quintals of sugar as compared to 120.53 Lacs quintals in previous year. Sales for the current year include 5.58 Lacs quintals for exports as compared to 26.07 Lacs quintals in previous year. Domestic sugar realisation for the year stood at ₹32.37 per kg as compared to ₹32.91 per kg in previous year. Blended sugar realisation (Domestic plus export) stood at ₹32.01 per kg as compared to ₹30.34 per kg in previous year.

Sugar inventory as on 31st March 2021 stood at 64.40 Lacs quintals valued at ~₹31.28 per kg as compared to 67.35 Lacs quintals valued at ~₹29.49 per kg in previous year.

Distillery

The Company's distillery segment performed exceedingly well during the year. The Company produced 1705.64 Lacs BL of industrial alcohol during the year as compared to 1275.75 Lacs BL during the previous year, an increase of 33.7%. The Company's new 160 KLPD distillery at Gularia which commenced operations from 12th January 2020 operated fully during the year. In addition, Company was able to run its distilleries for more number of days owing to zero liquid discharge status at all its distilleries. In its endeavor to produce ethanol from B-heavy molasses route by diverting more cane for the same, the Company produced 1017.73 Lacs BL of Ethanol out of B-heavy molasses during the year as compared to 357.96 Lacs BL in previous year.

Ethanol sales during the year produced from B-heavy molasses stood at 958.54 Lacs BL at an average realisation of ₹55.53 per BL as compared to 255.83 Lacs BL at an average realisation of ₹54.27 per BL in previous year. Ethanol sales from molasses produced from C-heavy route stood at 494.50 Lacs BL at an average realisation of ₹43.92 per BL as compared to 835.84 Lacs BL at an average realisation of ₹43.49 per BL in previous year. Ethanol sales from molasses produced from C-heavy route was lower in the current year as the Company chose to produce and sale Ethanol produced from B-heavy molasses route. Blended realisation for total industrial alcohol (including ENA) sales stood at ₹48.35 per BL as compared to ₹44.69 per BL in previous year.

Cogeneration

The performance of the cogeneration segment was subdued during the year. Power generated during the year stood at 8065.31 Lacs units as compared to 9024.18 Lacs units in previous year, a decrease of 10.6% as the Company decided to sell more bagasse outside than to use it to generate power in view of lowering of power tariff by UPERC. Power exported to Uttar Pradesh Power Corporation Limited stood at 4262.54 Lacs units as against 5261.44 Lacs units in previous year, a decrease of 19.0%. Average realisation for the year stood at ₹3.17 per unit as compared to ₹3.06 per unit in previous year. The matter of reduction in tariff by UPERC is under litigation and is pending at Hon'ble High Court Allahabad.

Others

The Company also manufactures Granular Potash Fertilizer, Bio-Zyme, Bio-Pesticides for the healthy and salubrious growth of sugarcane and also provide soil health cards to the farmers by analysing the soil samples of the farmers. It produces mainly three products namely Granular Potash, Jaiv-Shakti and Paudh-Shakti. These products provide strength to sustain under the draught conditions, increases metabolism and root development. The Company sells these products to farmers at subsidised rates and to the Indian fertilizer giant, India Farmers Fertilizer Cooperative Limited (IFFCO). Revenues during the year stood at ₹2179.34 Lacs as compared to ₹1117.17 Lacs in previous year.

The Company also manufactured hand sanitizers in the wake of pandemic Covid-19.

A detailed analysis of the Company's operations, expectations and business environment has been provided in the Management Discussion and Analysis section, which forms a part of this Report

Subsidiary and Associate Companies

As on 31st March, 2021, the Company has two associate companies, namely, Auxilo Finserve Private Limited (AFPL) and Visual Percept Solar Projects Private Limited (VPSPPL). The Company holds 45.05% and 45.00% in the Equity Share Capital of AFPL and VPSPPL, respectively.

AFPL is a Systematically Important Non-Banking Financial Company and is engaged in the business of providing educational loans. During the FY 2020-21, AFPL has earned revenue of ₹7509.91 Lacs as compared to ₹5467.08 Lacs for the previous financial year and profit after tax of ₹962.23 Lacs as compared to ₹308.28 Lacs for the previous financial year. AFPL has registered growth of 37% and 212% in revenue and profit after tax over the previous financial year, respectively. The Board of AFPL has decided to retain the surplus for ploughing it back in AFPL for its growth prospects.

VPSPPL is in the business of generation and distribution of solar/ renewable energy. During the said financial year, VPSPPL has earned revenue of ₹5601.47 Lacs as compared to ₹5397.61 Lacs for the previous financial year and profit after tax of ₹3867.97 Lacs as compared to ₹1316.41 Lacs for the previous financial year. VPSPPL has recorded growth of 4% and 194% in revenue and profit after tax over the previous financial year, respectively.

In the month of January, 2021, the Board and the Shareholders of VPSPPL had approved buy-back of 23,60,000 fully paid-up Equity Shares of VPSPPL (at a price of ₹96/- per share) for an aggregate amount not exceeding ₹2265.60 Lacs, on a proportionate basis, in accordance with the provisions of the Act and the rules made thereunder.

As per its eligibility, the Company had tendered 10,62,000 Equity Shares in the said buy-back offer which were bought back by VPSPPL for ₹1019.52 Lacs. The Company's investment in the VPSPPL, post buy-back, stands at 78,52,500 Equity Shares constituting 45% of the total shareholding and VPSPPL continues to be an associate of the Company.

Further, the salient features of the financial statements of the Company's Associate companies are provided in Form AOC-1 which forms part of this Report.

No body corporate has become or ceased to be a subsidiary, joint venture or associate of the Company during the year under review.

Consolidated Financial Statements

In compliance with the provisions of the Companies Act, 2013 (as amended) (the "Act") and implementation requirements of the Indian Accounting Standards Rules on accounting and disclosure requirements, as applicable and as prescribed under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations"), the Audited Consolidated Financial Statements form part of this Annual Report.

Pursuant to Section 129(3) of the Act, a statement in Form AOC-1 containing the salient features of the financial statements of the Company's Associate companies are also provided in this Annual Report.

The audited financial statements of the Company including the consolidated financial statements and related information of the Company are available on the website of the Company at www.chini.com. Since, the Company doesn't have any subsidiary, the requirement under Section 136 of the Act about separate financial section of subsidiary does not apply to it.

Share Capital

During the year under review, the Board of Directors of the Company had approved buy-back of 1,00,00,000 (One Crore) Equity Shares of the Company, through the "Tender Offer" route using the Stock Exchange Mechanism, for an aggregate amount of upto ₹18000 Lacs (being 7.87% of the total paid-up equity share capital and free reserves of the Company as on 31st March, 2020), at a price of ₹180/- per Equity Share on a proportionate basis in accordance with the provisions contained in the Act, rules made thereunder, the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended, and other applicable circulars, clarifications and notifications.

Post buy-back of 1,00,00,000 (One Crore) equity shares, the equity share capital of the Company stood at ₹2100 Lacs consisting of 21,00,00,000 equity shares of ₹1 each as on 31st March, 2021.

Employee Stock Option Scheme

There are no outstanding stock options and no stock options were either issued or allotted during the year.

Credit Rating

Details of Credit Ratings assigned to the Company are given in the Corporate Governance Report.

Directors

Pursuant to the provisions of Section 152(6) of the Act, the members of the Company at the 44th Annual General Meeting (AGM) held on 22nd September, 2020, re-appointed Mr. Naresh Dayal (DIN : 03059141) who was liable to retire by rotation.

Further, the members of the Company at the 44th AGM held on 22nd September, 2020, re-appointed Mr. Sumit Mazumder (DIN : 00116654) as an Independent Director of the Company to hold office for his second term of five consecutive years with effect from 1st May, 2021 to 30th April, 2026 and approved continuation of Mr. Mazumder as an Independent Director of the Company from the day he attains the age of 75 years till the remaining period of his second term, i.e. upto 30th April, 2026.

None of the Directors of the Company are disqualified as per the applicable provisions of the Act.

Director retiring by rotation

Dr. Arvind Krishna Saxena (DIN : 00846939) retires from the Board by rotation and being eligible, offers himself for re-appointment. The Board of Directors recommends the said re-appointment. Resume and other information regarding aforementioned Director seeking re-appointment as required under Regulation 36 of the Listing Regulations has been given in the Notice convening the ensuing AGM.

Information regarding the directors seeking appointment

During the year under review, the Board of Directors of your Company on the recommendation of the Nomination & Remuneration Committee has appointed Ms. Mamta Binani (DIN : 00462925) as an Independent Director (Additional Director) for a period of 5 (five) consecutive years with effect from 5th November, 2020 subject to the approval of the Shareholders of the Company. Pursuant to Section 149 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, your Board of Directors seek your approval for appointment/ regularisation of Ms. Mamta Binani as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 5th November, 2020.

In terms of the provisions of Section 160(1) of the Act, the Company has received notice from a member signifying his intention to propose the candidature for the appointment of Ms. Mamta Binani as an independent director.

Resume and other information regarding the aforesaid appointment as required under Regulation 36 of the Listing Regulations and the Secretarial Standard – 2 (Revised) have been given in the Notice convening the ensuing AGM. The terms and conditions of appointment of Independent/Non- Executive Directors of the Company is hosted on the website of the Company.

Changes in Board Composition

Mr. Sakti Prasad Ghosh (DIN : 00183802) after serving his first term of five years as an Independent Director of the Company has decided not to offer himself for re-appointment due to his advanced age. Consequently, Mr. Ghosh has ceased to be the Independent Director of the Company w.e.f. 30th September, 2020. The Board places on record its deep appreciation for the contributions of Mr. Ghosh during his tenure as an independent Director.

Other Information

Appointment of directors is made in accordance with the Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

Other details pertaining to the Directors, their appointment/ cessation, if any, during the year under review and their remuneration are given in the Corporate Governance Report annexed hereto and forming part of this Report.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Regulation 16 of the Listing Regulations. The Independent Directors have also confirmed that they have registered their names in the data bank of Independent

Directors as being maintained by Indian Institute of Corporate Affairs (IICA) in terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

The Board of Directors confirm that the Independent Directors appointed during the year meet the criteria of expertise, experience and integrity in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

Separate Meeting of Independent Directors

Details of the separate meeting of Independent Directors held in terms of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations are given in the Corporate Governance Report.

Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act and Regulation 18 of the Listing Regulations in the preparation of the annual accounts for the year ended 31st March, 2021 and state that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii. The Directors have 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 period;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors have prepared the annual accounts on a going concern basis;

v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Particulars of Employees

The particulars of employees, as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), are given in a separate annexure attached hereto as Annexure - I and forms part of this Report.

Prevention of Sexual Harassment

The Company has a zero tolerance for sexual harassment at workplace and has adopted a policy viz., Policy on Prevention of Sexual Harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The Company is also in compliance with the provisions of the POSH Act, with respect to the constitution of Internal Committee. During the year under review, no complaint / case was filed or was pending for redressal.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act are given in Annexure - II attached hereto and forms part of this Report.

Deposits

The Company has not accepted any deposit from the public and consequently, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

Key Managerial Personnel

During the year under review, the Board of Directors at their meeting held on 23rd June, 2020 have appointed Mr. Manoj Agarwal, a qualified Company Secretary, Chartered Accountant and PGDBL from NUJS, as the Company Secretary & Compliance Officer (Key Managerial Personnel) of the Company with effect from 23rd June, 2020 in place of Mr. Nitin Bagaria, who had resigned from the office of Company Secretary of the Company effective from closure of the business hours of 5th May, 2020.

As on 31st March, 2021, Mr. Vivek Saraogi (DIN : 00221419), Managing Director, Mr. Pramod Patwari, Chief Financial Officer and Mr. Manoj Agarwal, Company Secretary are the Key Managerial Personnel of the Company in terms of the provision of Section 203 of the Act.

Details pertaining to the remuneration of KMPs during the year have been provided in the Draft Annual Return.

Board Meetings

The Board met 4 (four) times during the financial year under review, the details of which are given in the Corporate Governance Report attached to this Report.

Committees of the Board

Pursuant to various requirements under the Act and the Listing Regulations, the Board of Directors has constituted/reconstituted (whenever necessitated) various committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Executive Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report.

Compliance of Secretarial Standards

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

Audit Committee

All recommendations made by the Audit Committee during the year were accepted by the Board.

Vigil Mechanism / Whistle–Blower Policy

The Company has in place a Vigil Mechanism / Whistle–Blower Policy to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any. The aforementioned whistleblower policy is available on the Company's website at the following web-link:

https://chini.com/sustainability/governance/policies/

Policy on Selection and Remuneration of Directors

The Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity is annexed as Annexure - III.

Board Evaluation

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the evaluation of its own performance and that of its Committees as well as evaluation of performance of the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached to this Report.

Corporate Social Responsibility

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), the Company has a Corporate Social Responsibility ("CSR") Committee. The details of composition and meetings held during the year of the Committee are mentioned in the Corporate Governance Report.

The CSR activities of the Company are focused on Sustainable Livelihood, Education including skill development for women empowerment; Healthcare, Sanitation & safe drinking water; Rural Development; Environment sustainability and Disaster Management. In line with CSR commitment, the Company has spent ₹1,067.55 Lacs, being over 2% of the average net profits of the Company for the last three years, towards its CSR interventions. In the view of the recent amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Act, the Board of Directors of the Company at their meeting held on 1st June, 2021 revised the CSR Policy of the Company based on the recommendation of the CSR Committee. The revised CSR Policy of the Company as approved by the Board can be accessed on the Company's website at following web-link:

https://chini.com/sustainability/governance/policies/

Nayi Ummeed Project

The Company through Balrampur Foundation aims to improve the quality of life for the rural community in Uttar Pradesh through a holistic approach that touches all aspects of their daily lives under its Nayi Ummeed initiatives. Its CSR interventions aren't limited to aid and funding; it aims to empower the rural community with the right knowledge, potent tools & technology, best health care services, standardised education and improved rural infrastructure. As per the Impact Assessment study conducted by an independent agency, the Company has been able to achieve impressive results and create a meaningful and needful impact in the community.

Disaster Management (Covid -19)

During these Covid times, the Company through its CSR interventions took special care of the health and wellbeing of the community by providing ambulances at eight locations for ferrying patients from remote areas, improving infrastructure of hospitals, carrying out sanitisation drive in public areas and government offices, distributing food & essential items and by supporting organisations which were carrying out such benevolent activities.

Skill Development Project - Nipun

The problem of unemployment gives rise to the problem of poverty and the conundrum of poverty and the need for skill development remains a national challenge. In light of the same, during the year 2018-19 the Company had setup its Skilling Centre (Nipun) in Noida, Uttar Pradesh in association with National Skill Development Corporation with an objective to create a strong foothold in skill development arena under its CSR mandate. The aim of this project is to instill economic security and stability among the youth (women) through skill training and holistic development; facilitating enhanced access to opportunities through jobs. Implementation of this project was carried out in Noida, Uttar Pradesh and the following objectives were achieved.

- Under this Project the Company Trained over 1,050 young women, enabling them to have a hope of an independent and dignified life.
- Under this Skill Development programe 70% young women have received employment.
- The women expressed that the training has not only helped them become economically independent but also helped them gain confidence and respect in the family and community.

Clean City Project

Since cleanliness is the first prevention for cure and is also the panacea for Covid, the Company embarked on a Clean City Programme. Under the programme, the Company placed waste (litter) bins in strategic places of Kolkata, so that litter(waste) could be thrown in designated bins. The staff employed by the vendor for cleaning and maintaining the bins were rag pickers and street urchins who were trained and equipped with proper gear and provided decent employment opportunities. Also, the entire waste collection process is done with the help of e-vehicles.

Mobile Science Lab Project

The Company in association with Agastya International Foundation is running four mobile science labs in the areas of Balrampur, Barabanki, Lakhimpur Kheri & Gonda, Uttar Pradesh. The aforesaid labs visit the government schools as a travelling laboratory for hands-on activities of Science and facilitate the learning of students. The initiative aims at encouraging the students to inculcate an experiential learning environment and empowering government school educators to design creative ways to nurture the budding scientists. During the Covid times, learning methods were evolved and digital training was also provided so that children do not loose out on their training part.

Impact Assessment

Although not mandatory, the Board of Directors of the Company has appointed an independent impact assessment agency viz. Third Planet Foundation to carry out the Impact Assessment of the CSR interventions of the Company. As per the Impact Assessment Report issued by Third Planet Foundation in May 2021, the CSR interventions of the Company have created a very meaningful and needful impact in the community and all the thematic areas have shown growth, outcomes and impact across all the location. The CSR Committee and the Board of Directors of the Company took a note of the same at their respective meetings held on 1st June, 2021. The Impact assessment Report is available on the Company's website at the following web-link: https://chini.com/sustainability/social/

The details of the CSR initiatives undertaken by the Company during the FY 2020-21 are outlined in the Annual Report on CSR activities which along with CSR Policy is attached as Annexure IV.

Inter-corporate Loans and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements forming part of this Annual Report.

Related Party Transactions

During the financial year ended 31st March, 2021 all transactions with the Related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis. During the year under review, your Company did not enter into any Related Party Transaction which requires prior approval of the Members. There have been no materially significant related party transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large.

Since all related party transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore, details required to be provided in the prescribed Form AOC - 2 are not applicable to the Company. The Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at following web-link:

https://chini.com/sustainability/governance/policies/

The details of the related party transactions are set out in the notes to the financial statements.

Risk Management

The policy on risk assessment and minimisation procedures as laid down by the Board are periodically reviewed by the Risk Management Committee, Audit Committee and the Board. The policy facilitates identification of risks at appropriate time and ensures necessary steps to be taken to mitigate the risks. Brief details of risks and concerns are given in the Management Discussion and Analysis Report.

Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, the draft Annual Return of the Company for the Financial Year 31st March, 2021 is uploaded on the website of the Company and can be accessed at https://chini.com/investors/financials/.

The final Annual Return shall be uploaded in the same web link after the said Return is filed with the Registrar of Companies, Kolkata.

Material Changes and Commitments

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e. 31st March, 2021 and the date of this Report. The impact of COVID 19 pandemic has not been material on the financial performance of the Company.

Significant and Material Orders

There are no significant/ material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were reviewed and no reportable material weakness was observed.

Corporate Governance

In terms of the provisions of Regulation 34(3) of the Listing Regulations, the Corporate Governance Report and the Certificate on the compliance of conditions of Corporate Governance forms part of the Annual Report and are given separately as Annexure - V and the Management Discussion and Analysis is given in Page no 116 of the Annual Report.

Business Responsibility Report

Regulation 34(2) of the Listing Regulations, inter alia, provides that the annual reports of the top 1000 listed entities based on market capitalisation (calculated as on 31st March of every financial year), shall include a Business Responsibility Report. Since the Company is one of the top 1000 listed entities, it has presented its Forth Business Responsibility Report for the FY 2020-21, as Annexure - VI to this Report.

Auditors

Statutory Auditors and their Audit Report

Pursuant to the applicable provisions of the Act, the members of the Company at their 41st AGM held on 30th August, 2017, appointed M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), as the Statutory Auditors of the Company to hold office from the conclusion of the 41st AGM until the conclusion of the 46th AGM of the Company to be held in the year 2022.

The reports given by the Auditors, M/s. Lodha & Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for the year ended 31st March, 2021 forms part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports.

The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

Secretarial Auditors and their Audit Report

Pursuant to the provisions of Section 204 of the Act, the Company had appointed Mr. Manoj Kumar Banthia of M/s. MKB & Associates, Company Secretaries, to undertake the secretarial audit of the Company for the FY 2020-21. The Secretarial Audit Report for the FY 2020-21 is attached as Annexure - VII and forms part of this Report. The contents of the said Audit Report are self- explanatory and do not call for any further comments by the Board. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors and their Audit Report

The erstwhile Cost Auditors of the Company (M/s. N. Radhakrishnan & Co., Cost Accountants) had submitted the Cost Audit Report for the year 2019-20 within the time limit prescribed under the Act and Rules made thereunder.

During the year under review, pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board has appointed M/s. Mani & Co., Cost Accountants, to conduct cost audit of the cost records maintained by the Company relating to sugar (including industrial alcohol) and electricity for the financial year ended 31st March, 2021.

On the date of this Report, your Directors have, on the recommendation of the Audit Committee, appointed M/s. Mani & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2021-22. As required under the Act, a resolution seeking ratification of the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing AGM.

Annexures forming part of this Report

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form part of this Report:

Annexure	Particulars
I	Particulars of Employees
II	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
III	Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity
IV	Annual Report on CSR activities and CSR Policy
V	Corporate Governance Report
VI	Business Responsibility Report
VII	Secretarial Audit Report

Appreciation

Your Directors take this opportunity to thank all the stakeholders including the Central Government, the Government of Uttar Pradesh, shareholders, farmers, customers, dealers, State Bank of India, HDFC Bank, ICICI Bank Limited, Kotak Mahindra Bank, Bank of Baroda, other banks and financial institutions and all other business associates & vendors for their excellent support. Your Directors also wish to place on record their deep appreciation for the committed services by your Company's employees.

For and on behalf of the Board of Directors

Sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place: Balrampur

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place: Kolkata

Date: 1st June, 2021

Annexure I

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED)

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name	Designation	Ratio
Mr. Vivek Saraogi	Managing Director	225:1
Dr. A. K. Saxena	Whole-time Director	12:1

II. The percentage increase in remuneration of executive directors, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2020-21:

Name	Designation	% increase in remuneration
Mr. Vivek Saraogi	Managing Director	(0.02)
Dr. A. K. Saxena	Whole-time Director	3.39
Mr. Pramod Patwari	Chief Financial Officer	11.69
Mr. Manoj Agarwal*	Company Secretary	N.A.
Mr. Nitin Bagaria*	Company Secretary	N.A.

*Mr. Nitin Bagaria, Company Secretary had resigned from the Company with effect from 5th May, 2020. Mr. Manoj Agarwal was appointed as the Company Secretary with effect from 23rd June, 2020. Accordingly, the disclosures with respect to increase in remuneration are not applicable.

III. The percentage increase in the median remuneration of employees in the financial year 2020-21:

The median remuneration of the employees increased by 11.92% in the financial year 2020-21.

IV. The number of permanent employees on the rolls of the Company:

There were 5920 number of permanent employees on the rolls of the Company as on 31st March, 2021.

V. 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:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 11.51%

Percentile increase in the managerial remuneration: 1.69%

Justification – Remuneration paid to the managerial personnel are as per recommendation of the Nomination & Remuneration Committee and as approved by the Board and the Shareholders of the Company. There is no exceptional increase in the managerial remuneration and the same is less than the increase in the salaries of employees other than managerial personnel and therefore no justification is required.

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid during the FY 2020-21 is as per the Remuneration Policy of the Company.

Notes:

1. The Non-Executive Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders of the Company. The details of remuneration of Non-Executive Directors are provided in the Report on Corporate Governance and is governed by the Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity of the Company, as provided in the Annual Report. In view of this, the calculation of the ratio of remuneration and percentage increase in remuneration of Non-Executive Directors would not be meaningful and hence not provided.

   Permanent employees on the rolls of the Company includes Permanent and Seasonal Permanent employees but does not include Badli Workers, Retainers, Advisors, Trainees / Apprentices, etc.

Statement of Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)

Name	Designation, Nature of duties	Remuneration (₹ in Lacs)	Qualification and experience (years)	Age (years)	Date of commencement of employment	Last employer, designation
Employed throughout the financial year 2020-21						
Mr. Vivek Saraogi	Managing Director	636.28	B.Com (Hons.), (33)	55	03.07.1987	None
Mr. Nirmal Kumar Agarwal	Executive President (Unit Head)	110.48	Diploma in Mech. Engineering (40)	63	08.06.2006	Bajaj Hindusthan, Barkhera Unit, Vice President (Unit Head)
Mr. Pramod Patwari	Chief Financial Officer	108.47	B.Com (H), FCA, FCS (26)	51	01.06.2007	Zenith Exports Limited, Finance Controller & Company Secretary
Mr. Rohit Bothra	President (Taxation & Strategy)	108.38	B.Com (H), CA, GRAD. CWA (27)	48	16.01.2014	Ernst & Young LLP, Sr. Manager
Mr. Vinay Khanna	Vice President- Business Planning & Operations	83.77	B.Com (H), CA – Inter (21)	44	11.11.1999	None
Mr. Manish Purohit	Vice President- Audit & Cane Operations	83.50	C.A., CIA, DISA, Certification in IFRS (24)	46	02.05.2003	Emami Limited, Audit Manager
Mr. Praveen Gupta	Executive President	83.00	B.E. (MECH), P.G.D.M. (I.I.M. Calcutta) (39)	62	09.10.2008	M/s Upper Ganges Sugar & Inds., Seohara (U.P.), Jt. Executive President
Mr. Ajay Kumar Dubey	Chief General Manager, Unit Head	76.80	B.Sc, LLB, LLM (34)	58	27.05.2014	Kesar Enterprises Limited – Baheri, Bareilly, U.P., Vice President
Mr. Binod Kumar Yadav	Chief General Manager	74.83	M.Sc. (Ag.) (27)	53	16.07.2003	J.K.Sugar- Meerganj (Bareilly) Senior Cane Manager
Mr. Bhattaru Srinivas Acharyulu	Chief Procurement Officer	65.24	AMIE, FIE Mechanical Engineering (Institution of Engineers Kolkata) MBA Finance (IGNOU) (31 years)	52	12.11.2018	Prism Johnson Limited (Vice President -Commercial)

Notes:

1. Remuneration includes salary, company's contributions to provident fund, bonus, allowances and monetary value of perquisites. However, provisions for gratuity during the year have been excluded.
2. Except the appointment of directors, all appointments are non-contractual and terminable by notice on either side.
3. No employee is a relative of any director of the Company.
4. None of the employees are covered under Rule 5(2)(ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended).

For and on behalf of the Board of Directors

Sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place: Balrampur

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place: Kolkata

Date: 1st June, 2021

Annexure II

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

(A) Conservation of Energy

(i) The steps taken or impact on conservation of energy

The Company has taken various steps towards conservation of energy in its Units. Details of steps taken are listed below:

i. Installation of solar lights in the cane purchase centres.

ii. Variable Frequency Drive (VFDs) is being added in the system in all the Units for reduction of electrical energy consumption.

iii. Installation of planetary gears in replacement of inefficient worm wheel type gears is also being done on regular basis in all the Units for saving of electrical energy.

iv. Installation of Auto Slip Resistance STR Panel at Balrampur and Babhnan unit for reduction of electrical losses.

v. Gradual replacement of inefficient geared pumps with screw pumps / high flow pumps for electrical energy efficiency.

vi. Installation of pneumatic plough only in A-Centrifugal all machine for increasing efficiency cycle resulting in steam saving.

vii. Installation of auto feed control valve (IRIS) on continuous centrifugal machines.

viii. Installation of world class batch pan automation

ix. Installation of auto feed AI base software on batch centrifugal machines

The impact of above measures are expected to reduce the consumption of fuel and power substantially and consequently the cost of production.

(ii) The steps taken by the Company for utilising alternate sources of energy

The focal point of the Company's operating policy is an integration through which the by-product of one process serves as raw material for another. The Company produces green power as it uses its waste product (bagasse) as raw material instead of using fossil fuels which is harmful for the environment. The Renewable power produced by the Company is used for captive use and is also sold to the Grid.

(iii) The capital investment on energy conservation equipments during the FY 2020-21 was ₹269.47 Lacs.

(B) Technology absorption

(i) The Company carried on following sugarcane development activities during the financial year 2020-21:

- Moist heat therapy to eradicate seed borne diseases
- Biological control laboratory for sugarcane pest management as a measure to protect cane from diseases.
- Use of moist Hot Air, Hot Water and Sett Treatment Machine to eradicate seed borne inoculum of red rot, smut, GSD disease etc.;
- Installation of soil testing laboratory including analysis of micronutrients and providing soil health card to growers for correct nutrient recommendation as per requirement of the soil;
- Popularizing ratoon management;
- Popularizing use of trash mulcher to mix the trash in soil for quick decomposition in soil, which will improve the soil health.

(ii) Due to above efforts, it is expected that higher yield of disease free cane will be available to the Company, resulting in higher returns to the Company and the cane growers. Multi cropping also helps farmers to get more returns.

(iii) The Company has not imported any technology.

(iv) Expenditure incurred on Research & Development: Nil.

(C) Foreign Exchange Earnings and outgo

	2020-21	2019-20
Foreign Exchange earned in terms of actual inflows	Nil	₹16843.46 Lacs
Foreign Exchange outgo in terms of actual outflows	₹125.76 Lacs	₹102.10 Lacs

For and on behalf of the Board of Directors

Sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place: Balrampur

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place: Kolkata

Date: 1st June, 2021

Annexure III

POLICY ON SELECTION & REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND ON BOARD DIVERSITY

1. Preamble

Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Part – D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also mandates the Nomination and Remuneration Committee to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. It further requires the Nomination and Remuneration Committee to devise a policy on diversity of the Board of Directors of the listed entity.

This Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity **("Policy")** is designed to (i) attract, motivate and retain talented employees in the competitive market, (ii) motivate employees to excel in their performance, recognise their contribution, (iii) retain talent in the organisation, reward merit and protect organisational stability & flexibility and (iv) lay down the criteria for selection of directors in the Board and persons in the senior management to assist the Board of Directors in performing its duties. This Policy will also ensure constitution of the Board with optimum combination of Executive and Non-Executive Directors including Independent Directors who possess diverse experience and expertise in strategic management, governance and provide long term vision and direction to the Company.

However, the Board should act according to its obligations under the specific facts and circumstances it faces.

The Board of Directors ("the Board") of Balrampur Chini Mills Limited ("the Company") at their meeting held on 11st August, 2016 have adapted this Policy and it shall be effective from 1st September, 2016. This Policy supersedes the existing Remuneration Policy and Criteria for selection of Directors and persons in Senior Management.

This Policy applies to the Company's Directors, Key Managerial Personnel and other employees.

2. Objectives

This Policy is formulated with the following objectives:

(i) To set the criteria for determining qualifications, positive attributes and independence of a director.

(ii) To have a diverse Board, with people from diverse areas of expertise and experience.

(iii) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the Company successfully.

(iv) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(v) To ensure that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(vi) To attract, recruit, motivate and retain desired talent.

However, exceptional occasions may arise where it is appropriate to act differently than set out in this Policy due to some extra-ordinary talent of any candidate and due to outstanding performance.

3. Definitions and Interpretations

"Act" shall mean the Companies Act, 2013 (as amended) along with the rules made thereunder.

"Committee" means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company.

"Key Managerial Personnel" or **"KMP"** means personnel as defined under the Companies Act, 2013.

"Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Senior Management", "Senior Management Personnel" or "Senior Executives" means employees of Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors, including the functional heads. Unless expressly excluded, Senior Management includes KMP.

4. Policy for selection and appointment of the Board Members

Board Membership Criteria & Diversity

The Board of Directors should be composed of individuals who have demonstrated significant achievements in business, education, individual profession and/or public service. They should have requisite expertise, education and experience to make a significant contribution to the deliberations of the Board of Directors in light of the Company's business. In addition, the Board shall have atleast one woman director.

The Committee may review the appropriate skills and characteristics of Board members in the context of the current structure of the

Board. This assessment should include issues of diversity, age, business, qualifications, ethics & integrity, willingness to participate in Board matters and other criteria that the Committee and Board find to be relevant at that point of time. A variety and balance of skills, background and experience is desirable.

The composition of the Board shall meet the conditions prescribed under the Act and the Listing Regulations. Proposed appointees shall possess the Director Identification Number and meet the criteria as laid down in the Act and the Listing Regulations.

Attributes

The overall ability and experience of individual Board candidate should determine their suitability. The following attributes may be considered as desirable in any candidate for the Board:

- Experience- A Board candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.
- Education - Ideally, it is desirable that a Board candidate should hold degree from a respected college or university. In some cases, it is further desirable for the candidate also to have earned a masters or acumen in governance & administration. However, these educational criteria are not meant to exclude an exceptional candidate who does not meet these educational criteria.
- Personal - A Board candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholder.
- Individual Characteristics - A Board candidate should have the personal qualities to be able to make a substantial active contribution to the Board deliberations. These qualities include intelligence, self-assuredness, high ethical standard, inter-personal skills, independence, judgmental, courage, a willingness to ask the difficult question, communication skills and commitment.
- Availability - A Board candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of the Board membership. The candidate should not have any prohibited interlocking relationships.
- Compatibility - A Board candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the Senior Management of the Company.
- Compliance - A Candidate should meet the compliance requirements prescribed under the Act, the Listing Regulations and other Rules & Regulations or standards set out by the Company.

Predominance of Independent Directors

Independence promotes integrity, accountability and governance. The Board shall comprise of requisite number of independent directors as prescribed under the law.

Not less than requisite number of directors shall be independent directors who meet the criteria for independence as required under the Act, the Listing Regulations and other prescribed Rules & Regulations applicable to the Company. Besides, the Board will consider all relevant facts and circumstances in making a determination of independence.

Selection and Orientation of New Directors

The Committee shall identify candidates for the Board and recommend them for appointment by Board and subsequently for approval by the shareholders as prescribed under the law. The Board delegates the screening process to the Committee with direct input from the Chairman of the Board or the Managing Director or any other Committee as may deem appropriate. The Senior Management, working in conjunction with the Committee, shall develop an appropriate familiarisation program for new directors that include background briefings, meetings with the Senior Management and visits to Company facilities etc.

Assessing Performance of Board and Committees

The Committee shall evaluate performance of each director and report annually to the Board on the results of the assessment process. The performance evaluation of Independent directors shall be done by the entire Board of Directors. The Independent directors in their meeting shall review the performance of non-independent directors and the Board as a whole. While assessing the performance, the Board or the Committee shall take into account attendance of directors in the Board and Committee meetings, performance of the business, accomplishment of long-term strategic objectives & their participation, role & functioning of various committees, compliance and other matter as they may think fit. The purpose of the assessment is to increase the effectiveness of the Board.

5. Selection and nomination of Senior Management including KMP

Criteria for selection of directors shall also apply for selection of executives in the Senior Management excepting those which are not applicable for KMP. Where appointment or performance of any KMP requires specific qualification or degree, the person should also possess the same. Keeping self-up-to-date for performing duties, on issues and emerging trends is an important part of responsibilities. KMP must take reasonable steps to remain current in professional development, corporate governance and discharging duties & responsibilities.

The KMP shall meet the conditions prescribed under the Act and other Rules & Regulations as may be applicable.

6. Compensation Structure

Principles of Remuneration

This Policy reflects the balance between the interests of the stakeholders of the Company as well as a balance between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the Executive Directors and the Senior Management Personnel are designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company. The Company strives for high performance in the field of sustainability and aims to maintain a good balance between economic gains, respect for people and concern for the environment in line with the values of the Company and business principles to ensure that highly skilled and qualified personnel can be attracted and retained. The Company aims for a total remuneration level that is comparable to levels provided by other companies that are similar to the Company in terms of size and complexity. The Company shall strive to be an equal opportunity employer.

The following elements shall be considered for payment of remuneration to Executive Directors, Senior Management Personnel and other employees :

Industry Average, Remuneration drawn by peers considering nature and volume of responsibilities, Qualification, Experience, Immediate previous position held in earlier organisation & responsibilities occupied, responsibilities shouldered in the Company, contribution made within the organisation, any achievement, reward or recognition, behavioural patterns, work ethics, evaluation of performance etc.

Remuneration to Executive Directors & Non-Executive Directors

The Executive Directors shall be eligible for a monthly remuneration consisting of salary, perquisites and profit based annual commission (in case of Managing Director), as may be approved by the Board of Directors, based on the recommendations of the Committee, provided the same are in accordance with the statutory provisions of the Act, the rules made thereunder, for the time being in force and approved by the Shareholders and Central Government, wherever required.

The Non-Executive Directors (including Independent Directors) shall be entitled to receive sitting fees for attending each meeting of the Board of Directors and the committees thereof. The fees paid to the Non-Executive Directors for attending meetings shall be such as may be determined by the Board within the limits prescribed under the Act. Beside the sitting fees, they are also entitled to reimbursement of expenses for participation in meetings of the Board / Committee / Shareholders and payment of commission on net profits.

Any review of the remuneration to Executive Directors and Non-executive Directors shall be on the basis of performance evaluation of directors and as per recommendation of the Committee.

Payment of commission & sitting fees to Non-Executive Directors shall be subject to the provisions of the Act including prescribed rules & schedules thereunder and the Listing Regulations.

Remuneration to Senior Management and other employees

In order to attract and retain managerial expertise, the elements of the remuneration of the Senior Management are determined on the basis of the work they do and the value they create as well as of the conditions in other similar companies. Each element of the remuneration has been weighted in order to ensure a continuous positive development of the Company both in the short and long-term as well as of the employees to enhance productivity.

Remuneration of employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres/grades are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance, among others. Employees/workers may be granted advance/loan with or without interest in case of genuine needs like- Medical, education, housing, marriage or for any other genuine purpose, subject to in conformity with the applicable laws and regulations as amended from time to time. The remuneration to employees/workers shall also comply with the applicable regulations and policies of the respective governments. As the factories of the Company are situated in the State of Uttar Pradesh, the remuneration to employees/workers (other than Senior Management) shall also be in compliance with the policies of the U.P. Govt. including Wage Board.

However, the Company may give compensation in the form of reward or incentive to any employee for his outstanding or extraordinary performance, which is over and above the benchmark set for him during any year.

Annual appraisal of performance of Senior Executives and other employees shall be done by the respective reporting authority/ head of the department in association with HR Department. Based on such performance evaluation any increase in remuneration shall be considered.

Long Term Incentive Employee Stock Option Scheme

The Company has in place a Employees Stock Option Scheme for the Non-Promoter Executive Director(s) and employees of the Company with the objective of aligning interests of the executive management and key employees with the long-term goals of the Company and its shareholders and also to attract and retain talent to align the interest of employees with those creating sustainable value for all stakeholders. The stock options plan is long term for eight years after vesting time of one year from the date of grant of options.

7. Supplementary Provisions

The Committee may review this Policy periodically and suggest revisions in this Policy to the Board to ensure this Policy serves its purpose and accurately reflects the sense of the Board and the Company.

Annexure IV

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH, 2021

1. Brief outline on CSR Policy of the Company:

BCML's Vision for CSR is "to contribute for bringing social and economic change to the underprivileged sections of the society in an equitable and sustainable manner and to contribute for livelihood enhancement initiatives for the weaker sections of the society. In doing so, we believe that we are contributing to develop the quality of human life and making a better India."

The scope of activities which, the Company undertakes towards fulfilment of its CSR is in line with Schedule VII of the Act. The Company focuses on the following key areas for its CSR Activities:

- Livelihood enhancement and poverty alleviation;
- Education including skill development for empowerment of women and others;
- Healthcare, sanitation & safe drinking water;
- Rural development and transformation;
- Environment sustainability & climate change;
- Disaster management.

Besides, the CSR Activities of the Company shall be such activities as permissible under Schedule VII of the Act.

Subject to the provisions of the Act, the Company will undertake the CSR Activities either (i) directly and/ or (ii) through Implementing Agencies as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Naresh Dayal	Non-Executive Non Independent Director, Chairperson	2	2
2.	Mr. Sumit Mazumder	Non-Executive - Independent Director, Member	2	2
3.	Mr. Dinesh Kumar Mittal^	Non-Executive - Independent Director, Member	2	2
4.	Mr. Vivek Saraogi	Managing Director - Member	2	2
5.	Ms. Veena Hingarh*	Non-Executive - Independent Director, Member	N.A.	N.A.

^Ceased w.e.f. 03-02-2021

*Appointed w.e.f. 03-02-2021

At the meeting of the Board of Directors held on 2nd February, 2021 Ms. Veena Hingarh was inducted as Member of the CSR Committee in place of Mr. Dinesh Kumar Mittal w.e.f. 3rd February, 2021.

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.

Web-link for Composition of CSR committee	https://chini.com/management/#committee
CSR Policy	https://chini.com/sustainability/governance/policies/
CSR projects approved by the board	https://chini.com/sustainability/social/

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).

Although not mandatory, the Board of Directors of the Company had appointed an independent impact assessment agency viz. Third Planet Foundation to carry out the Impact Assessment of the CSR interventions of the Company. As per the Impact Assessment Report issued by Third Planet Foundation in May 2021, the CSR interventions of the Company have created a very meaningful and needful impact in the community and all the thematic areas have shown growth, outcomes and impact across all the location. The CSR Committee and the Board of Directors of the Company took a note of the same at their respective meetings held on 1st June, 2021. The Impact Assessment Report is available on the Company's website at the following web-link: https://chini.com/sustainability/social/

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1			
2		Nil	
3			
	TOTAL		

6. Average net profit of the company as per section 135(5): ₹48297.04 Lacs

7.

a.	Two percent of average net profit of the company as per section 135(5)	₹965.94 Lacs
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).	₹965.94 Lacs

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) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹1067.55 Lacs	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lacs)	Amount spent in the current financial Year (₹ in Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(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 Lacs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1.	WaSH (Water, Sanitation & Hygiene) Project	(i)	Yes	Uttar Pradesh	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki, Ayodhya and Mathura	184.86	No	Balrampur Foundation, Khajani Welfare Society	CSR00001874 CSR00005014
2.	Clean City Project	(i)	Yes	West Bengal	Kolkata	3.37	Yes	-	-
3.	Skill Development Project - Nipun	(ii)	Yes	Uttar Pradesh	Noida	68.22	No	National Skill Development Corporation	CSR00005903
4.	Mobile Science Lab Project	(ii)	Yes	Uttar Pradesh	Lakhimpur Kheri , Gonda, Balrampur and Barabanki	33.28	No	Agastya International Foundation	CSR00003442
5.	Child Education Project (Tathagat)	(ii)	Yes	Uttar Pradesh	Mirzapur, Sonbhadra, Shamli and Varanasi	7.00	Yes		
6.	Promoting Education, Including Special Education, Livelihood Enhancement Projects and Vocational Skills.	(ii)	Yes	Uttar Pradesh,	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki and Ayodhya	449.95	No	Balrampur Foundation Balrampur Institute of Vocational Aid	CSR00001874 –
7.	Education Initiatives	(ii)	No	Uttarakhand	Dehradun	5.00	No	Purkal Youth Development Society	CSR00001936

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

(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 Lacs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
8.	Reducing Inequalities Faced by Socially and Economically Backward Groups	(iii)	Yes	Uttar Pradesh	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki and Ayodhya	3.68	No	Balrampur Foundation	CSR00001874
9.	Environmental sustainability and animal welfare	(iv)	Yes	Uttar Pradesh, West Bengal	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki, Ayodhya and Kolkata	103.89	No	Balrampur Foundation, Nature Mates Nature Club	CSR00001874 –
10.	Contribution for the Armed Forces (Kendriya Sainik Board)	(vi)	No	Delhi	Delhi	11.00	Yes		
11.	Promotion of Rural Sports	(vii)	Yes	Uttar Pradesh	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki and Ayodhya	9.15	No	Balrampur Foundation	CSR00001874
12.	Rural Development Projects	(x)	Yes	Uttar Pradesh	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki and Ayodhya	77.97	No	Balrampur Foundation	CSR00001874
13.	COVID Support	(i) & (xii)	Yes	Uttar Pradesh, West Bengal	Balrampur, Ambedkarnagar, Lakhimpur Kheri, Gonda, Barabanki, Ayodhya and Kolkata	107.30	No	Balrampur Foundation, CII Foundation, Ramakrishna Mission	CSR00001874 CSR00001013 CSR00006101
			TOTAL			**1064.67**			

Note: The interventions through Balrampur Foundation were under Nayi Ummeed Project.

d.	Amount spent in Administrative Overheads:	₹0.38 Lacs
e.	Amount spent on Impact Assessment, if applicable:	₹2.50 Lacs
f.	Total amount spent for the Financial Year (8b+8c+8d+8e):	₹1067.55 Lacs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	965.94
(ii)	Total amount spent for the Financial Year	1067.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	101.61
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	101.61

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the Reporting Financial Year	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
				Name of the Fund	Amount	Date of transfer	
1.	2019-20	Nil	N.A.	N.A.	Nil	N.A.	Nil
2.	2018-19	Nil	N.A.	N.A.	Nil	N.A.	Nil
3.	2017-18	Nil	N.A.	N.A.	Nil	N.A.	Nil
	TOTAL						

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

(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	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
Not Applicable								

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

A.	Date of creation or acquisition of the capital asset(s).	30.09.2020	15.10.2020
B.	Amount of CSR spent for creation or acquisition of capital asset.	₹20.83 Lacs	₹16.06 Lacs
C.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Balrampur Foundation, 504, Woodburn Central, 5th Floor, 5A, Bibhabati Bose Sarani, Kolkata – 700020.	Balrampur Foundation, 504, Woodburn Central, 5th Floor, 5A, Bibhabati Bose Sarani, Kolkata – 700020.
D.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	2 (Two) Tractors with Trailer Mounted Sewer Suction Machines. Babhnan, Uttar Pradesh,	2 (Two) Ambulance. Balrampur and Mankapur Uttar Pradesh,

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

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place: Kolkata

Sd/-
Naresh Dayal
Chairperson - CSR Committee
DIN - 03059141
Place: Kumaon

Date: 1st June, 2021

Corporate Social Responsibility Policy

PHILOSOPHY

Corporate Social Responsibility ("CSR") is a kind of social responsibility integrated into a business model. CSR goes beyond compliance and engages in actions that further some social good, beyond the interests of the company and those which are required by law. CSR aims to embrace the responsibilities for the business actions and encourage a positive impact through its activities on the environment, communities, farmers and in general on the wellbeing of society at large.

At Balrampur Chini Mills Limited ("Company"), we are committed to economic, social, environmental and cultural growth of the underprivileged in an equitable and sustainable manner, primarily in the peripheral areas around our factories and corporate office. Over the years, the Company has worked for the enrichment of lives across these communities by creating sustainable livelihoods, promoting education, healthcare, sanitation, etc.

Our Vision for CSR is "to contribute for bringing social and economic change to the underprivileged sections of the society in an equitable and sustainable manner and to contribute for livelihood enhancement initiatives for the weaker sections of the society. In doing so, we believe that we are contributing to develop the quality of human life and making a better India."

LEGAL REQUIREMENTS

Pursuant to Section 135 of the Companies Act, 2013 (as amended) ("Act") read with the Companies (Corporate Social Responsibility) Rules, 2014, (as amended) ("CSR Rules") the Board of Directors ("Board") of the Company is required to formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Act and the expenditure to be incurred thereon. Additionally, the objective of this Policy is to provide an overall framework, principles and guidelines to the CSR Committee to conduct CSR activities in line with Section 135 of the Act and the Rules and other applicable laws and regulations, as amended from time to time.

The Board of the Company had initially adopted this CSR Policy in terms of section 135 (3) (a) of the Act read with the CSR Rules and Schedule VII of the Act made thereunder on 12th May, 2014, which was further amended on 8th February, 2018. Considering the recent amendments made in Section 135 of the Act vide the Companies Amendment Act, 2019 and the Companies Amendment Act, 2020 along with changes in the Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("Amendment Rules"), the Board at their meeting held on 1st June, 2021, based on the recommendations of the CSR Committee of the Board, have adopted this Policy, namely, BCML Corporate Social Responsibility Policy ("Policy") and it shall be effective from 1st June, 2021. This Policy shall supersede the existing Corporate Social Responsibility Policy.

CSR COMMITTEE

The Board of Directors of the Company shall from time to time constitute/reconstitute a CSR Committee consisting of such members as may be required under the Act. The CSR Committee shall meet at least twice in a year to review annual action plan and monitor the CSR projects/programmes. The quorum shall be two members. The Committee shall periodically review the Policy, discuss the budget and strategy, review project progress, issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy and also consider the future course of action.

The terms of reference of the CSR Committee are mentioned hereunder:

(i) Formulate and recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide an approach and the guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of the annual action plan.

(ii) Recommend and review the annual action plan, and any modifications thereof, to the Board comprising of following:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company.

iii) Recommend specific projects, either new or ongoing, in pursuance of the Focus Areas outlined in this Policy or such other activity as listed under Schedule VII of the Act, either for undertaking such projects by the Company itself, directly or through any implementation agency, for inclusion in the annual action plan or contributions or financial assistance.

(iv) Recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts, if any.

(v) Review the progress of CSR initiatives undertaken by the Company.

(vi) Monitor the CSR Policy of the Company from time to time and institute transparent monitoring mechanism for implementation of the CSR projects referred to above.

(vii) Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and take a note of the certificate submitted by the Chief Financial Officer.

(viii) Review and recommend to the Board, the Impact Assessment Report, if any, obtained by the Company from time to time.

(ix) Undertake such activities and carry out such functions as may be provided under section 135 of the Act and the Rules.

FOCUS AREAS

The scope of activities which, the Company will undertake towards fulfillment of its CSR shall be in line with Schedule VII of the Act. The Company shall focus on the following key areas for its CSR Activities:

a) Livelihood enhancement and poverty alleviation
b) Education including skill development for empowerment of women and others.
c) Healthcare, sanitation & safe drinking water
d) Rural development and transformation
e) Environment sustainability & climate change
f) Disaster management

Besides above, the Board may approve such other CSR activities as permissible under Schedule VII of the Act.

The CSR initiatives would be identified as per the requirement in the community and the local area from where the Company operates. Further, the CSR Committee may also consider any initiative to be carried out in terms of the Act in any other part of India. Professional agencies may be engaged in conducting need based assessment in some programme, wherever required.

IMPLEMENTATION

Subject to the provisions of the Act, the Company will undertake the CSR Activities either (i) directly or (ii) through a registered trust or registered society or registered company (under Section 8 of the Act) registered under section 12A and 80 G of the Income Tax Act, 1961, established by it either singly or along with any other company (iii) through any other Implementing Agency.

Provided that if the Company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects and the Company should have specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

Provided that such implementing agencies shall be covered by Rule 4 (1) of the Rules and registered with Central Government and is in possession of unique CSR Registration Number.

Further, for carrying the CSR Activities, the Company may also collaborate with the Governments, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders that can widen the Company's reach and help the Company to leverage upon the collective expertise, wisdom and experience that these partnerships bring to the CSR Activities.

However, the CSR Committee shall ensure the credibility of implementing agency and its ability to execute the project or programme effectively. The disbursement by the Company to the implementing agency should be preferably made upon receipt of proposal along with budget and implementation schedule, and in tranches in order to ensure that the amount does not lie unspent with the implementing agency.

CSR EXPENDITURE

- As mandated under Section 135 of the Act read with the CSR Rules, expenditure on CSR Activities in any financial year shall be atleast 2% of the average net profits of the Company made during the three immediately preceding financial years or such higher amount as may be recommended by the CSR Committee and approved by the Board of Directors of the Company.
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the said financial year.
- Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- If the Company fails to spend the minimum allocation of CSR the reasons for not spending the amount shall be specified in the Board's Report prepared under Section 134(3)(o) of the Act and unless the unspent amount relates to any Ongoing Project, it will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- The Company shall deal with the unspent amount, if any, in the following manner:
    a. Where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the CSR Unspent Account within a period of 30 days from the end of the financial year and the same shall be spent in the manner as prescribed in section 135(6) of the Act and the CSR Rules; and
    b. Where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a Fund specified in Schedule VII, within a period of six

months of the expiry of the financial year or such other time period as permissible under the Act.

- The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
  a. a company established under section 8 of the Act or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of Rule 4; or
  b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  c. a public authority.
- Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
  a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule; and
  b. the Board of the Company shall pass a resolution to that effect.

MONITORING, REVIEW AND IMPACT ASSESSMENT

The CSR Committee shall review the progress reports as received from implementing agencies and / or concerned officer / team of the Company, as may be the case. The CSR Committee shall review and inform the Board on the utilisation of the funds disbursed for the purpose and in the manner approved by it. The outcome of impact assessment, if any, and progress reports submitted will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year.

The Company should ensure that the implementing agencies, shall keep the Company informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or programme. Where the CSR amount spent results or resulted in creation or acquisition of capital asset, details with respect to the entity holding such capital asset should be duly informed to the CSR Committee in accordance with the CSR Rules.

Apart from receiving utlisation certificates / progress reports, the representatives of the Company shall carry out site visits / field visits on periodic basis. Further, the Company can engage a third party for monitoring the same and shall carry out impact assessment, either directly or by engaging independent agency, in accordance with the Act and the CSR Rules.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Action Plan in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilisation, monitoring mechanism, etc.

The Board of Directors may approve the Annual Action Plan with such further conditions as it deems fit and may alter Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

INFORMATION DISSEMINATION

The composition of the CSR Committee, CSR Policy and Projects, as approved by the Board should be uploaded on the website of the Company. The Company's engagement in CSR Activities may also be disseminated through the media. An Annual CSR Report will be included in the Board's Report forming part of the Annual Report.

AMENDMENTS

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors of the Company, based on the recommendations of the CSR Committee. Any amendments in the Applicable Law, including any clarifications/ circulars of relevant regulator, if mandatory, shall be read with this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

Annexure V

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices & systems that enable an organisation to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behaviour contribute to superior long term performance of organisations. Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards.

The Company recognises that good corporate governance is a continuous exercise. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function. The Company's structure, business dealings, administration and disclosure practices are aligned to good corporate governance philosophy. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company also aims to increase and sustain its corporate values through growth and innovation.

Date of Report

The information provided in this Report on Corporate Governance is as on 31st March, 2021 for the purpose of unanimity. This Report is updated as on the date of the Report wherever applicable

Board of Directors

The Company recognises the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations") mandate that for a company with a non-executive chairman, atleast one third of the board should comprise of independent directors. As on 31st March, 2021, the Board comprised of 8 (eight) directors, of which 5 (five) were Independent Directors including the Chairman. The composition of the Board is in conformity with the requirements of Regulation 17(1) of the Listing Regulations.

The composition of the Board of Directors, the number of other committees of which a director is a Member/Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors and Category	No. of membership on Board committees including the Company^	No. of chairmanship on Board committees including the Company^	No. of Board meetings attended during the FY 2020-21	Attendance at last AGM held on 22.09.2020
Mr. Sumit Mazumder (Chairman) (ID)	4	0	4	Yes
Mr. Vivek Saraogi (Managing Director)(PE)	1	0	4	Yes
Mr. D. K. Mittal (ID)	7	3	4	Yes
Mr. Krishnava Dutt(ID)	7	4	4	Yes
Mr. Sakti Prasad Ghosh (ID)* (Ceased w.e.f. 30.09.2020)	5	1	2	Yes
Dr. Arvind Krishna Saxena (Whole-time Director) (NPE)	0	0	4	Yes
Mr. Naresh Dayal (NED)	1	0	4	Yes
Ms. Veena Hingarh (ID)	2	0	4	Yes
Ms. Mamta Binani (ID) (Appointed w.e.f. 05.11.2020)	4	1	1	N.A.

ID- Independent, Non-Executive; PE- Promoter, Executive; NPE- Non-Promoter, Executive; NED- Non-Independent, Non-Executive

The Committee positions are based on the latest disclosures received by the Company.

^Only membership/ chairmanship of the Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies have been considered.

*Details provided are as on the date of his cessation as director of the Company.

The Independent Directors of the Company have confirmed that they meet the criteria for "independence" and / or "eligibility" as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 (as amended) (the "Act") and in the opinion of the Board, the independent directors of the Company fulfill the conditions specified under the Listing Regulations and are independent of the management. None of the directors of the Company are related to each other. The Company is in compliance with the provisions regarding Board, its composition and committees under the Act and Listing Regulations.

During the FY 2020-21, Mr. Sakti Prasad Ghosh (Independent Director) had retired from the office of Independent Director of the Company with effect from 30th September, 2020 on completion of his term as an independent director of the Company. Further, Ms. Mamta Binani was appointed as an Additional Director of the Company, under the category of Independent Director with effect from 5th November, 2020 for a term of five consecutive years subject to the approval of the shareholders of the Company in general meeting.

Disclosures regarding appointment/re-appointment of the directors have been furnished in the Notice convening the 45th Annual General Meeting of the Company, which forms part of the Annual Report.

As required under Para C of Schedule V to the Listing Regulations, based on the latest disclosures received by the Company, following are the number of other directorships and the names of the listed entities where the directors of the Company are also a director and the category of their directorships therein:

Name of the Directors	No. of Directorships@	Directorships and its category in listed entities
Mr. Sumit Mazumder (DIN : 00116654)	4	Balrampur Chini Mills Limited (ID)
		Jay Shree Tea and Industries Limited (ID)
		TIL Limited (PE)
Mr. Vivek Saraogi (DIN : 00221419)	1	Balrampur Chini Mills Limited (PE)
Mr. D. K. Mittal (DIN : 00040000)	9	Balrampur Chini Mills Limited (ID)
		Max Financial Services Limited (ID)
		Bharti Airtel Limited (ID)
		Max Ventures and Industries Limited (ID)
		Trident Limited (ID)
Mr. Krishnava Dutt (DIN : 02792753)	6	Balrampur Chini Mills Limited (ID)
		Tata Metaliks Limited (ID)
		Tata Steel BSL Limited (ID)
		TRF Limited (ID)
Mr. Sakti Prasad Ghosh* (DIN : 00183802)	5	Balrampur Chini Mills Limited (ID)
		Shristi Infrastructure Development Corporation Limited (ID)
Dr. Arvind Krishna Saxena (DIN : 00846939)	1	Balrampur Chini Mills Limited (NPE)
Mr. Naresh Dayal (DIN : 03059141)	1	Balrampur Chini Mills Limited (NED)
Ms. Veena Hingarh (DIN : 00885567)	2	Balrampur Chini Mills Limited (ID)
		TIL Limited (ID)
Ms. Mamta Binani (DIN : 00462925)	10	Balrampur Chini Mills Limited (ID)
		Kkalpana Industries (India) Limited (ID)
		Century Plyboards (India) Limited (ID)
		Skipper Limited (ID)
		GPT Infraprojects Limited (ID)
		La Opala R G Limited (ID)
		Emami Paper Mills Limited (ID)

ID- Independent, Non-Executive; PE- Promoter, Executive; NPE- Non-Promoter, Executive; NED- Non-Independent, Non-Executive

@Excludes memberships of the managing committee of various chambers/bodies, directorships in private limited companies, foreign companies, companies registered under section 8 of the Act and alternate directorships.

*Details provided are as on the date of his cessation as director of the Company.

None of the directors on the Board of the Company is a member of more than 10 committees or Chairperson of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the Listing Regulations.

The Board has devised proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

The Board of Directors of the Company met 4 (four) times during the FY 2020-21. Atleast one meeting of the Board was held in every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the FY 2020-21, except the Board meeting held on 23rd June, 2020 which was held after 133 days from immediately preceding Board meeting, in terms of the exemption provided by the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020. The details of the Board Meetings held during the FY 2020-21 are as follows:

Sl. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1.	23rd June, 2020	8	8	5
2.	7th August, 2020	8	8	5
3.	4th November, 2020	7	7	4
4.	2nd February, 2021	8	8	5

The Directors were offered option to access the complete agenda for meetings along with all relevant annexures and other important information on their respective i-Pads/ tablets/ laptops through a software platform that allows secured log in and access to data on the device in online and offline modes as well as functionality to make private notes and comments ahead of the meetings and many other advanced features.

Core Skills / Expertise / Competencies available with the Board of Directors of the Company

In pursuance of Para C(2), Schedule V to the Listing Regulations, the Board of Directors of the Company has identified the following core skills/ expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company:

Technical skills/experience	Industry knowledge/experience
Accounting and Finance	Industry Experience
Information Technology	Industry Knowledge
Statutory Compliance	Understanding of relevant laws, rules, regulation and policy
Risk Management	Economics
Business Planning and Strategy	
Auditing	**Behavioural Competencies**
Human Resource Management	Interpersonal Relations
Engineering and Technology	Leadership
Corporate Affairs	
Agri Research & Development	

The Board of the Company comprises of qualified members who possess required skills, expertise and competencies (as given below) that allow them to make effective contributions to the Board and its Committees.

Name of the Director	Area of skills/expertise/competencies
Mr. Sumit Mazumder	Economics; Accounting and Finance; Information Technology; Statutory Compliance; Risk Management; Business Planning and Strategy; Human Resource Management; Engineering and Technology; Corporate Affairs; Interpersonal relations; Leadership
Mr. D. K. Mittal	Industry knowledge; Understanding of relevant laws, rules, regulation and policy; Economics; Accounting and Finance; Statutory Compliance; Risk Management; Business Planning and Strategy; Human Resource Management; Corporate Affairs; Agri Research & Development; Interpersonal relations; Leadership
Mr. Vivek Saraogi	Industry Experience; Industry knowledge; Understanding of relevant laws, rules, regulation and policy; Economics; Accounting and Finance; Statutory Compliance; Risk Management; Business Planning and Strategy; Auditing; Human Resource Management; Engineering and Technology; Corporate Affairs; Agri Research & Development; Interpersonal relations; Leadership
Mr. Krishnava Dutt	Understanding of relevant laws, rules, regulation and policy; Corporate Affairs; Interpersonal relations; Leadership
Mr. Naresh Dayal	Industry knowledge; Understanding of relevant laws, rules, regulation and policy; Economics; Statutory Compliance; Business Planning and Strategy; Human Resource Management; Corporate Affairs; Agri Research & Development; Interpersonal relations; Leadership
Ms Mamta Binani	Understanding of relevant laws, rules, regulation and policy; Economics; Accounting and Finance; Statutory Compliance; Risk Management; Business Planning and Strategy; Corporate Affairs; Interpersonal relations; Leadership
Ms. Veena Hingarh	Industry Experience; Accounting and Finance; Information Technology; Statutory Compliance; Auditing; Interpersonal relations; Leadership
Dr. A. K. Saxena	Industry Experience; Industry knowledge; Understanding of relevant laws, rules, regulation and policy; Statutory Compliance; Risk Management; Business Planning and Strategy; Auditing; Corporate Affairs; Agri Research & Development; Interpersonal relations; Leadership

Board Training and Familiarisation Programme

In terms of Regulation 25 of the Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise 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 programmes for familiarisation of the Independent Directors are put on the website of the Company at the following web-link:

https://chini.com/sustainability/governance/policies/

Independent Directors' Separate Meeting

Schedule IV to the Act and the Listing Regulations mandates the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the year ended 31st March, 2021, the Independent Directors met on 2nd February, 2021, inter alia, to review performance of Non-Independent Directors & the Board as a whole, to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

Lead Independent Director

Although not mandatory, the Board has appointed Mr. D. K. Mittal as the Lead Independent Director at its meeting held on 31st July, 2017. The Lead Independent Director provides leadership to the Independent Directors and liaisons between the Independent Directors and the Management / Board / Shareholders.

Code of Conduct

Regulation 17(5) of the Listing Regulations requires every listed company to have a Code of Conduct for its directors and senior management. Further, Schedule IV of the Act requires the appointment of Independent Director to be formalised through a letter of appointment, which shall set out the Code for Business Ethics that the Company expects its directors and employees to follow. The said Schedule also requires the Independent Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In terms of the above, there exists a comprehensive Code of Conduct for all Directors, Senior Management Personnel and all other employees of the Company and the same is available on the website of the Company at the following web-link:

https://chini.com/sustainability/governance/policies/

All Directors and Senior Management Personnel have affirmed compliance with the Code for the financial year 2020-21. A declaration to this effect signed by the Managing Director is annexed to this Report.

Board Committees

The Board has constituted various committees consisting of Executive and Non-Executive Directors of the Company to meet various mandatory requirements of the Act and the Listing Regulations as well as to perform other critical functions. Currently, the Board has 6 (six) committees, viz., Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Executive Committee. The compositions of the said committees have also been disclosed on the website of the Company. The Company Secretary acts as the Secretary to all the Committees of the Board.

Audit Committee

The Board of Directors of the Company has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory, Internal Auditors and the Board.

Terms of Reference

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. Terms of reference of the Audit Committee, inter alia, includes:

- ✓ Overseeing the financial reporting process, review of financial statements;
- ✓ Ensuring compliance with the regulatory guidelines;
- ✓ Review of internal audit reports;
- ✓ Recommending appointment and remuneration of auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function; and
- ✓ Other matters specified for Audit Committee under the Listing Regulations and the Act.

The Audit Committee also reviews information as per the requirements of Part C of Schedule II to the Listing Regulations.

Composition, Meetings and Attendance

The composition of the Audit Committee is in accordance with the provisions of the Act and Regulation 18 of the Listing Regulations.

During the year under review, Mr. Sakti Prasad Ghosh ceased to be the member of Audit Committee consequent to his retirement from the office of Independent Director of the Company with effect from 30th September, 2020 on completion of his term. The Board at its meeting held on 4th November, 2020 has inducted Ms. Mamta Binani as a member of the Committee with effect from 5th November, 2020. Ms. Binani was apprised about the terms of reference and role as a member of the Committee. As on 31st March, 2021, the Audit Committee comprised of 4 (four) directors consisting of 3(three) Independent Directors and 1(one) Non-Executive Non-Independent Director. All the members of the Audit Committee are financially literate and half of them are having accounting or related financial management expertise. Mr. D. K. Mittal acts as the Chairman of the Committee. The Chairman of the Committee is an Independent (Non-Executive) Director, nominated by the Board. The Committee meetings were attended by the Statutory Auditors, the Managing Director and the Chief Financial Officer of the Company as invitees. The Committee also invited the representatives of Internal Auditors for obtaining valuable guidance from their expertise in best practices in Internal Audit. The Cost Auditors were also invited whenever the Cost Audit related matters were considered. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

At least one meeting of the Audit Committee was held in every quarter and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days during the FY 2020-21, except the Audit Committee meeting on 23rd June, 2020 which was held after 133 days from immediately preceding the Committee meeting, in terms of the exemptions provided by the SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020. During the year ended 31st March, 2021, 4 (four) Audit Committee meetings were held on 23rd June, 2020, 7th August, 2020, 4th November, 2020 and 2nd February, 2021.

The composition and attendance of the members of the Audit Committee are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. D. K. Mittal	Independent Director	Chairman	4
2.	Mr. Krishnava Dutt	Independent Director	Member	4
3.	Mr. Sakti Prasad Ghosh	Independent Director	Member (upto 30.09.2020)	2
4.	Mr. Naresh Dayal	Non Executive Non - independent Director	Member	4
5.	Ms. Mamta Binani	Independent Director	Member (from 05.11.2020)	1

Mr. D. K. Mittal, the Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries related to accounts to the satisfaction of the shareholders.

Nomination & Remuneration Committee

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee cover all the areas mentioned under Regulation 19 of the Listing Regulations and Section 178 of the Act. The broad terms of reference of the Committee includes:

(i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director;

(ii) To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, and other employees of the Company;

(iii) To identify persons who are qualified to become directors and who may be appointed in senior management;

(iv) To evaluate the performance of all Directors.

Composition, Meetings and Attendance

Owing to retirement of Mr. Sakti Prasad Ghosh from the office of Independent Director of the Company with effect from 30th September, 2020 on completion of his term, the Board of Directors of the Company vide a resolution passed through circulation on 14th October, 2020 reconstituted the Nomination & Remuneration Committee by inducting Ms. Veena Hingarh (Independent Director), as a member of the Committee. Ms. Hingarh was apprised about the terms of reference and role of the Committee at the time of induction. As on 31st March, 2021, the Nomination & Remuneration Committee comprised of 3 (three) Non-Executive directors, two of whom are Independent Directors.

During the year ended 31st March, 2021, 4 (four) meetings of Nomination & Remuneration Committee were held on 23rd June, 2020, 7th August, 2020, 4th November, 2020 and 2nd February, 2021

The composition and attendance of the members of Nomination & Remuneration Committee are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. D. K. Mittal	Independent Director	Chairman	4
2.	Mr. S. P. Ghosh	Independent Director	Member (upto30.09.2020)	2
3.	Mr. Naresh Dayal	Non Executive Non-independent Director	Member	4
4.	Ms. Veena Hingarh	Independent Director	Member (from 14.10.2020)	2

Mr. D. K. Mittal, the Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company to answer the queries of the shareholders.

Remuneration Policy

The Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors is annexed to the Board's Report and is also available on the Company's website.

The Non- Executive Directors do not have any pecuniary relationship/transaction with the Company in their personal capacity other than Commission (not exceeding the limits prescribed under the Companies Act, 2013) and Sitting Fees and reimbursement of expenses, if any, for attending meetings of the Board and Committees thereof. The Directors are paid @ ₹40,000/- for attending each meeting of the Board and ₹20,000/- for attending each meeting of the Committees thereof, except for Audit Committee. The sitting fees for attending each meeting of Audit Committee is ₹ 40,000/-. The aggregate annual commission payable to the Non-Executive Directors is upto one percent of the net profit of the Company or ₹125 Lacs (effective from 1st April, 2019), plus applicable taxes, whichever is lower, in such proportion and manner as fixed by the Board of Directors.

The Commission payable to the Managing Director is at the rate of one percent of the net profit of the Company, subject to a ceiling of ₹360 Lacs p.a. which (together with other remuneration) is well within the limit as prescribed under the Companies Act, 2013.

Details of remuneration paid / payable to the Directors for the year ended 31st March, 2021 and their shareholding as on that date is as under:

Name of the Directors	Salary (₹)	Perquisites / Benefits (₹)	Bonus (₹)	Commissio (₹)	Sitting Fees (₹)	Total (₹)	Service Contract Notice period Severance Fees	Shareholding (Equity) (No.)
Mr. Vivek Saraogi	2,40,00,000	36,28,144		3,60,00,000	-	6,36,28,144	Term of office valid upto 31.03.2022. No notice period and no severance fees	3,43,39,303
Mr. D.K. Mittal	-	-	-	21,00,000	5,00,000	26,00,000	Re-appointed as Independent Director from 01.04.2019 to 31.03.2024	Nil
Mr. Krishnava Dutt	-	-	-	14,00,000	4,00,000	18,00,000	Re-appointed as Independent Director from 01.04.2019 to 31.03.2024	Nil
Mr. Sakti Prasad Ghosh	-	-	-	7,00,000	3,60,000	10,60,000	Retired on 30.09.2020	Nil
Dr. Arvind Krishna Saxena	25,72,667	6,85,457	-	-	-	32,58,124	Term of office valid upto 31.07.2022 subject to re-appointment after retirement by rotation. No notice period, no severance fees	15,039
Mr. Sumit Mazumder	-	-	-	21,00,000	2,60,000	23,60,000	Re-appointed as Independent Director from 01.05.2021 to 30.04.2026	Nil
Mr. Naresh Dayal	-	-	-	14,00,000	4,80,000	18,80,000	Liable to retire by rotation.	Nil
Ms. Veena Hingarh	-	-	-	14,00,000	2,60,000	16,60,000	Appointed as an Independent Director from 31.08.2019 to 30.08.2024	Nil
Ms. Mamta Binani	-	-	-	5,80,000	2,80,000	8,60,000	Appointed as an Additional Independent Director w.e.f. 05.11.2020	Nil

Note – The Company's contributions to provident fund have been shown under head 'Benefits' in the above Table. Sitting Fees and Commission are net off GST. None of the Directors of the Company hold any convertible instruments of the Company.

Other terms and conditions of appointment of the Independent Directors have been disclosed on the website of the Company at the following web-link:

https://chini.com/sustainability/governance/policies/

Succession Planning

The Board on the recommendation of the Nomination & Remuneration Committee has formulated a Policy on Succession Plan for the Board and Senior Management.

Performance Evaluation and Criteria

Pursuant to the Section 178 of the Act and the Listing Regulations, the Nomination & Remuneration Committee (NRC) has specified the manner and the criteria for performance evaluation of the Board, its Committees and Individual Directors (including Independent Director). Accordingly, the Board has carried out the performance evaluation of its own performance and that of its Committees as well as evaluation of performance of the Directors individually. The performance evaluation of the Independent Directors was also carried out by the entire Board (excluding the director being evaluated). The indicative criteria on which evaluation was carried out includes, Degree of fulfilment of key responsibilities, Board structure and composition, Effectiveness of Board processes, information and functioning, Attendance (captured from records of meetings), Contribution, Guidance/ support to management / Committee meetings, Quality of relationship of the committee with the Board and the management, etc.

The performance evaluation of the Board, its Chairman and the Non-Independent Directors were carried out by the Independent Directors. The NRC also reviewed the implementation of the criteria specified for performance evaluation and also formulated its feedback for supporting the Board in carrying out such evaluation of the performance. The evaluation of performance for the FY 2020-21 was carried out through structured questionnaires (based on various aspects of the Board's functioning, composition, its committees, culture, governance, execution and performance of statutory duties and obligations). The questionnaire covers all aspects prescribed by SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017. The Board expressed its satisfaction with the evaluation process and results thereof.

Risk Management Committee

In compliance with Regulation 21 of the Listing Regulations, the Board of Directors of the Company has a Risk Management Committee (RMC) to review, in particular, the Risk Management Policy of the Company, the effectiveness and adequacy of the Risk Management Systems of the Company, including cyber security, etc.

Terms of Reference

The terms of reference of Risk Management Committee are in conformity with the requirements of Regulation 21 of the Listing Regulations. Pursuant to the recent changes in Regulation 21 and Schedule II to the Listing Regulations, Board of Directors of the Company at its meeting held on 1st June, 2021 has revised the terms of reference of RMC which, inter alia, includes:

- ✓ Formulation of a detailed risk management policy which shall include:
  - a) framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - c) Business continuity plan
- ✓ Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ✓ Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

Composition, Meetings and Attendance

Owing to retirement of Mr. Sakti Prasad Ghosh from the office of Independent Director of the Company with effect from 30th September, 2020 on completion of his term, the Board of Directors of the Company at their meeting held on 4th November, 2020 reconstituted the RMC by inducting Ms. Veena Hingarh (Independent Director), as a member of the Committee. Ms. Hingarh was apprised about the terms of reference and role of the Committee at the time of induction. As on 31st March, 2021, RMC comprised of 4 (four) directors consisting of 3(three) Independent Directors and 1(one) Non-Executive Non-Independent Director. During the year ended 31st March, 2021, 2 (Two) RMC meetings were held on 23rd June, 2020 and 2nd February, 2021. The composition and attendance of the members of the RMC are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. D. K. Mittal	Independent Director	Chairman	2
2.	Mr. Krishnava Dutt	Independent Director	Member	2
3.	Mr. Sakti Prasad Ghosh	Independent Director	Member (upto 30.09.2020)	1
4.	Mr. Naresh Dayal	Non - executive Non - Independent Director	Member	2
5.	Ms. Veena Hingarh	Independent Director	Member (from 05.11.2020)	1

Executive Committee

The Executive Committee, constituted by the Board of Directors of the Company, met 16 (sixteen) times during the FY 2020-21. The terms of reference of the said Committee, inter alia, includes the following:

i. To approve and / or authorise opening of bank accounts, cash credit, current, dividend payment or otherwise and to give instructions relating to such banking accounts.

ii. To approve and / or authorise opening of Demat Accounts, Trading Accounts and to give instructions relating to such accounts.

iii. To borrow money/monies, from time to time, for the purpose of the Company, from banks / Financial Institutions.

iv. To authorise affixation of the Company's Common Seal.

v. To confer signing powers and authorities on such officers and employees of the Company as deemed fit for various operational and statutory matters.

vi. To perform such other function as may be delegated by the Board of Directors from time to time.

vii. To deal with the various aspects of interest of shareholders of the Company.

During the year ended 31st March, 2021, 16 (Sixteen) meetings of Executive Committee were held on 23rd May, 2020, 24th June, 2020, 20th July, 2020, 4th August, 2020, 8th August, 2020, 2nd September, 2020, 25th September, 2020, 17th November, 2020, 2nd December, 2020, 9th December, 2020, 22nd December, 2020, 27th January, 2021, 17th February, 2021, 4th March, 2021, 16th March, 2021 and 31st March, 2021.

The details of the composition and attendance of the members of the Executive Committee are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. S. P. Ghosh (Upto 30.09.2020)	Independent Director	Member	7
2.	Mr. Sumit Mazumder	Independent Director	Member	2
3.	Mr. Vivek Saraogi	Promoter, Executive	Member	15
4.	Dr. A. K. Saxena	Non-Promoter, Executive	Member	2
5.	Ms. Mamta Binani (From 05.11.2020)	Independent Director	Member	9

(Note: The Committee doesn't have a regular Chairperson)

Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of the Act, the Company has Corporate Social Responsibility (CSR) Committee which recommends the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. In the view of the recent amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Act and based on the recommendation of the CSR Committee, the Board of Directors of the Company at their meeting held on 1st June, 2021 has revised the CSR Policy of the Company.

Terms of Reference

The terms of reference of CSR Committee are in conformity with the requirements of the Act which, inter alia, includes:

- ✓ To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act.
- ✓ To recommend the amount of expenditure to be incurred on the activities as mentioned above and;
- ✓ To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition, Meetings and Attendance

During the financial year 2020-21, the Board of Directors of the Company has reconstituted the CSR Committee by inducting Ms. Veena Hingarh as a member of CSR Committee in place of Mr. D. K. Mittal with effect from 3rd February, 2021. She was also apprised about the terms of reference and role of the Committee at the time of her induction. During the year ended 31st March, 2021, 2 (two) CSR Committee meetings were held on 23rd June, 2020 and 2nd February, 2021. The composition and attendance of the members of the CSR Committee are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. Naresh Dayal	Non-Independent, Non-Executive	Chairperson	2
2.	Mr. Sumit Mazumder	Independent, Non-Executive	Member	2
3.	Mr. D. K. Mittal	Independent, Non-Executive	Member (Upto 02.02.2021)	2
4.	Mr. Vivek Saraogi	Promoter, Executive	Member	2
5.	Ms. Veena Hingarh	Independent, Non-Executive	Member (from 03.02.2021)	N.A.

Stakeholders' Relationship Committee

The Company has Stakeholders' Relationship Committee in pursuance of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Terms of Reference

The terms of reference of Stakeholders' Relationship Committee (SRC) are in conformity with the requirements of Section 178 of the Act and Regulation 20 read with Para B, Part of D of Schedule II to the Listing Regulations which, inter alia, includes:

- ✓ considering and resolving the grievances of security holders of the company;
- ✓ Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ✓ Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition, Meetings and Attendance

The Committee comprises of three members, two Independent Directors and one Promoter, Executive Director. During the year ended 31st March, 2021, 1(One) SRC meeting was held on 23rd June, 2020. The composition and attendance of the members of the SRC are as follows:

Sl. No.	Name of the Directors	Category	Position	No. of meetings attended
1.	Mr. Krishnava Dutt	Independent, Non-Executive	Chairman	1
2.	Mr. Vivek Saraogi	Promoter, Executive	Member	1
3.	Ms. Veena Hingarh	Independent, Non-Executive	Member	1

Compliance Officer

Mr. Nitin Bagaria, Company Secretary of the Company, was the Compliance Officer of the Company upto 5th May, 2020. Owing to his resignation w.e.f. 5th May, 2020 the Board of Directors had designated Mr. Pramod Patwari, Chief Financial Officer of the Company (who is also a qualified company secretary) as the Compliance Officer of the Company w.e.f. 6th May, 2020 as an interim measure, till the appointment of new Company Secretary and Compliance Officer.

The Board of Directors of the Company has appointed Mr. Manoj Agarwal as the Company Secretary and Compliance Officer of the Company with effect from 23rd June, 2020 and accordingly, Mr. Pramod Patwari has ceased to be the Compliance Officer of the Company with effect from that date.

Details of Shareholders' complaints

A total of 122 (One Hundred Twenty Two) complaints were received and all were replied to the satisfaction of the shareholders during the year ended 31st March, 2021. There were no outstanding complaints as on 31st March, 2021.

Nature of Complaints:

Description	Received and resolved during the Year
Non-receipt of securities	3
Non receipt of dividend (including warrants)	113
Stock Exchange Complaints	2
Others – (e.g. Non-receipt of Annual reports, etc.,)	4
Total	**122**

The Company supports SCORES by using it as a platform for communication between SEBI and the Company. Also there are no pending complaints on the SCORES platform.

General Body Meetings

Details of the last three Annual General Meetings are given below:

Accounting Year	Date	Location	Time	Special Resolution passed
2017-18	31.08.2018	'VidyaMandir', 1, Moira Street, Kolkata – 700 017	11.30 A.M.	None.
2018-19	30.08.2019		11.30 A.M.	1. Payment of commission to the Non-Executive Directors of the Company upto 1% per annum of the net profits of the Company or ₹1,25,00,000/- in aggregate, plus applicable taxes, whichever is lower, in any financial year, w.e.f. the financial year commencing from 1st April, 2019.
2019-20	22.09.2020	Video Conferencing	4.00 P.M.	1. Re-appointment of Mr. Sumit Mazumder (DIN: 00116654) as an Independent Director of the Company to hold office for his second term of five consecutive years with effect from 1st May, 2021 to 30th April, 2026 and approval for continuation of Mr. Mazumder as an Independent Director of the Company from the day he attains the age of 75 years till the remaining period of his second term, i.e. upto 30th April, 2026.

Details of Special Resolution passed through Postal Ballot

During the financial year ended 31st March, 2021, no special resolution was passed through postal ballot.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot.

Means of Communication

The full format of the results were filed with the Stock Exchanges on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre) and were available on the Stock Exchange websites-www.nseindia.com and www.bseindia.com. The extracts of the said financial results were published in the leading English and Bengali newspapers such as Business Standard (All editions) and Arthik Lipi except the financial results for the Quarter and Year ended 31st March, 2020 as the same were not published pursuant to the relaxations provided by the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020.

The financial results, official news releases, presentations made to Institutional Investors and Analysts, concall transcripts with Analysts / Investors are hosted on the Company's website www.chini.com.

Apart from electronic copies of the Annual Report and Notices of the Annual General Meeting / Postal Ballot, etc., the Company sends quarterly individual communication regarding its performance to those shareholders whose email addresses are registered with the Company / Depository Participant(s).

Website

The Website of the Company (www.chini.com) provides ease of access to the required information to all the stakeholders. The website carries a comprehensive database of information of interest to the investors including the financial results of the Company, dividend declared, unclaimed dividend list, shareholding pattern, any price sensitive information disclosed to the regulatory authorities from time to time, credit rating investor presentations and business activities of the Company.

General Shareholders' Information

Annual General Meeting (AGM) and Book Closure Dates

The Day, Date, Time and Venue of the 45th Annual General Meeting and Book Closure Dates are given below:

Accounting Year	Day & Date	Venue	Time	Book Closure Dates
2020-21	Monday, 13th September, 2021	through video conferencing (VC) or other audio visual means (OAVM)	4:00 P.M.	Tuesday, 7th September, 2021 to Monday, 13th September, 2021 (both days inclusive)

Financial Year

The financial year of the Company is from 1st April to 31st March every year.

Financial year calendar for 2021-22 (Tentative)

Results for the quarter ending 30th June, 2021	–	2nd week of August, 2021
Results for the quarter ending 30th September, 2021	–	2nd week of November, 2021
Results for the quarter ending 31st December, 2021	–	2nd week of February, 2022
Results for the quarter ending/Annual 31st March, 2022	–	4th week of May, 2022

Dividend payment date

During the financial year ended 31st March, 2021, the Board of Directors of the Company at its meeting held on 2nd February, 2021 had approved payment of Interim Dividend @ ₹2.50 per share (250% on the paid up share capital) to those shareholders/beneficiaries whose names appeared in the register of members/beneficial owners as on 12th February, 2021 and the same was paid on and from 25th February, 2021. The Board of Directors of the Company has confirmed the said interim dividend as the final dividend for the FY 2020-21.

Details of Listing of Equity Shares and Stock Code

National Stock Exchange of India Ltd.	BSE Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	PJ Towers, Dalal Street, Fort, Mumbai 400 001.
Scrip Code: BALRAMCHIN	**Scrip Code: 500038**

Listing Fees

Listing fee for the FY 2021-22 has been paid to each of the above named stock exchanges.

Depositories

National Securities Depository Ltd.	Central Depository Services (India) Ltd.
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.	Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400013.

ISIN

INE119A01028 (Equity Shares)

Reuters Code

NSE – BACH.NS and BSE – BACH.BO

Market Price Data (Face value of Re. 1 each)

NSE		Months	BSE	
High (₹)	Low (₹)		High (₹)	Low (₹)
132.70	97.45	April, 2020	132.55	97.50
101.65	83.65	May, 2020	101.95	82.85
141.70	100.25	June, 2020	142.00	100.50
142.00	123.00	July, 2020	142.20	122.25
165.40	125.05	August, 2020	165.35	125.00
162.45	140.00	September, 2020	162.40	140.00
169.80	147.50	October, 2020	169.90	148.00
167.00	147.70	November, 2020	166.80	147.95
185.80	155.55	December, 2020	185.65	155.50
187.90	168.75	January, 2021	187.80	163.70
183.30	157.00	February, 2021	183.20	156.45
227.00	175.95	March, 2021	226.80	174.60

Stock Performance in comparison to broad based indices

Financial year	NSE CNX NIFTY		BSE SENSEX	
	Change in BCML share price	Change in Nifty	Change in BCML share price	Change in SENSEX
2020-21	106.15%	70.87%	106.35%	68.01%

Credit Ratings

The Company has obtained credit ratings for the credit facilities sanctioned to it and the strong ratings ascribed by the Rating Agencies reflect the Company's financial discipline and prudence in debt management. The Credit Rating Agencies viz. ICRA and CRISIL vide their letters dated 9th April, 2021 and 23rd April, 2021 respectively have re-affirmed the Credit Ratings for both long-term and short-term as AA and A1 +, respectively. However, the Outlook on the long-term rating has been revised from Stable to Positive. Pursuant to Para C (9) of Schedule V to the Listing Regulations, details of the current credit rating profile of the Company are given below:

Facilities	Rating Agency	Rating
Long-term Limits	CRISIL	AA (Positive)
	ICRA	AA (Positive)
Short-term Limits	CRISIL	A1+
	ICRA	A1+
Commercial Papers	CRISIL	A1+
	ICRA	A1+

The letters assigning the aforesaid credit ratings and any revision thereof issued by the Rating Agencies are available on the website of the Company under the section "Investors".

Registrar and Share Transfer Agent

KFin Technologies Private Limited Apeejay House Block "B", 3rd Floor 15, Park Street, Kolkata – 700016	KFin Technologies Private Limited Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032	Toll Free No.1800-309-4001 Email: einward.ris@kfintech.com Website: www.kfintech.com

Share Transfer System

Pursuant to the amendment in the Listing Regulations and subsequent notification(s) issued by SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. In this regard, SEBI had issued a Press Release clarifying that the said amendment does not prohibit an investor from holding shares in physical form. However, any investor who is desirous of transferring shares (which are held in physical form) can do so only after the shares are dematerialised.

Shareholding Pattern as on 31st March, 2021

Category	No. of Shares	% of Holding
Promoters' Holding (A)	86545753	41.21
Public Shareholding (B)		
Financial Institutions, Banks, NBFCs and Mutual Funds	26564321	12.65
Foreign Institutional Investors & Foreign Portfolio Investors	125335	0.06
Corporate Bodies	3972352	1.89
NRIs	2692592	1.28
Trusts	38587	0.02
Foreign Portfolio Investor (Corporate)	45169630	21.51
Indian Public	38363499	18.27
IEPF	633483	0.30
Clearing Members	751494	0.36
Others	5142954	2.45
Total (A) + (B)	**210000000**	**100.00**

Distribution of Shareholding as on 31st March, 2021

Shareholding Range	No. of Holders	% of total holders	No. of Shares Held	% of total shares
Up to 5000	86295	98.68	21012689	10.01
5001 - 10,000	496	0.57	3584607	1.71
10,001 - 20,000	261	0.30	3704147	1.76
20,001 - 30,000	94	0.11	2350656	1.12
30,001-100,000	176	0.20	9237773	4.40
100,001 and above	127	0.14	170110128	81.00
Total	**87449**	**100.00**	**210000000**	**100.00**

Dematerialisation of shares and Liquidity

Around 99.61% of the Share Capital is held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at 31st March, 2021.

Status of Unclaimed Dividend

Dividend for the year	Amount of dividend (₹ in Lacs)	Amount of Unclaimed dividend as at 31.03.2021 (₹ in Lacs)	Due date of transfer to IEPF
2016-17 (Interim)	8574.58	57.16	18th September, 2023
2017-18 (Interim)	5875.56	42.93	4th September, 2024
2018-19 (Interim)	5710.96	28.45	7th March, 2026
2019-20 (Interim)	5500.00	25.41	12th December, 2026
2020-21 (Interim)	5250.00	Refer Note	10th March, 2028

Note: The Interim Dividend for Financial Year 2020-2021 was paid to the Equity Shareholders of the Company on and from 25th February, 2021. The Dividend has been transferred to the shareholders' bank accounts registered with the Depositories / Registrar & Share Transfer Agent of the Company. In those cases where the bank details are not available or the electronic payment instructions have failed or have been rejected by the bank, the Company arranged the demand drafts in lieu thereof. Since all the demand drafts were active as on 31st March, 2021, there was no unclaimed / unpaid dividend on that date.

In the interest of the shareholders, the Company sends reminders to the shareholders for the unpaid/unclaimed dividend every year.

Transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund:

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 Account to Investor Education and Protection Fund. In compliance with the same, the Company has transferred Unpaid Dividend for the year 2012-13 amounting to ₹38.57 Lacs to Investor Education and Protection Fund on 3rd October, 2020.

Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:

In terms of the provisions of the Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) ("the Rules") and other applicable rules, notifications and circulars, if any, the Company has transferred the shares, in respect of which dividend remained unpaid / unclaimed for a period of seven (7) consecutive years to the Demat Account of the IEPF Authority ("the IEPF Demat Account") after giving individual as well as newspaper notices to the shareholders holding shares relating to which they have not encashed their dividend since 2012-13 (i.e. none of the dividend(s) declared since 2012-13 were encashed), that such shares are liable to be transferred by the Company under the Rules to the IEPF Demat Account.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Equity Shares in Demat Suspense Account

In terms of Regulation 34 read with Schedule V to the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Demat Suspense Account of the Company:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Demat Suspense Account at the beginning of the year	550	51077
Aggregate number of shareholders and the outstanding shares transferred to Suspense Account during the year	-	-
Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	-	-
Number of Shares transferred to Investor Education and Protection Fund (Demat)	54	24290
Number of shareholders to whom shares were transferred from the Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	496	26787

The voting rights on the shares outstanding in the Suspense Account as at 31st March, 2021shall remain frozen till the rightful owners of such shares claim their shares.

Plant Locations

Unit 1 : Balrampur (Sugar, Co-generation, Distillery and Agro divisions), Dist. Balrampur, Uttar Pradesh.

Unit 2 : Babhnan (Sugar, Co-generation and Distillery divisions), Dist. Gonda, Uttar Pradesh.

Unit 3 : Tulsipur (Sugar division), Dist. Balrampur, Uttar Pradesh.

Unit 4 : Haidergarh (Sugar and Co-generation divisions), Dist. Barabanki, Uttar Pradesh.

Unit 5 : Akbarpur (Sugar and Co-generation divisions), Dist. Ambedkarnagar, Uttar Pradesh.

Unit 6 : Mankapur (Sugar, Co-generation Distillery and Agro divisions) Dist. Gonda, Uttar Pradesh.

Unit 7 : Rauzagaon (Sugar and Co-generation divisions) Dist. Ayodhya, Uttar Pradesh.

Unit 8 : Kumbhi (Sugar and Co-generation divisions), Dist. Lakhimpur-Kheri, Uttar Pradesh.

Unit 9 : Gularia (Sugar , Co-generation, Distillery and Agro divisions), Dist. Lakhimpur–Kheri, Uttar Pradesh.

Unit 10 : Maizapur (Sugar division), Dist. Gonda, Uttar Pradesh.

Investors' Correspondence

Mr. Kamal Sewoda
Deputy Manager - Secretarial
Balrampur Chini Mills Limited
FMC Fortuna, 2nd Floor
234/3A, A.J.C. Bose Road
Kolkata – 700 020
Phone : (033) 2287 4749

The Company has designated investorgrievances@bcml.in (email id) exclusively for the purpose of registering complaints by investors.

Other Disclosures

i) The Company does not have any materially significant related party transaction, which may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes to the Financial Statements. The Company has disclosed the policy on dealing with the related party transactions on its website at the following web-link:

https://chini.com/sustainability/governance/policies/

ii) There were no instances of non-compliances related to capital markets during the year under review and no penalties/ strictures were imposed against the Company during the last three years.

iii) Whistle Blower Policy framed by the Company to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any, is available on the Company's website at the following web-link:
https://chini.com/sustainability/governance/policies/

During the FY 2020-21, no personnel has been denied access to the Audit Committee.

iv) All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements is given below:

1. The Company doesn't bear any expenses of the Non-Executive Chairman's Office.

2. The Company's financial statements for the year ended 31st March, 2021 do not contain any modified audit opinion.

3. The Internal Auditors of the Company report directly to the Audit Committee.

v) The Company doesn't have any subsidiary company and therefore corresponding disclosures including framing of policy on material subsidiary has not been made.

vi) In terms of the Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately covered under the Management Discussion and Analysis Report.

vii) The CEO & CFO Certification for the FY 2020-21 forms part of the Annual Report.

viii) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the date of the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

ix) The Company has laid down Risk Assessment and Minimisation procedures and the same are periodically reviewed by the Board. The Company has a defined Risk Management Policy approved by the Board of Directors of the Company. The said policy was reviewed and revised by the Board of Directors at its meeting held on 8th February, 2018 and the same was made applicable w.e.f. 1st April, 2018.The Risk Management Policy is available on the website of the Company at the following web-link: https://chini.com/sustainability/governance/policies/

Further, the Company has adequate internal control systems to identify risks at appropriate time and to ensure that the executive management controls the risk through properly defined framework.

Company's products are in the nature of commodity and hence commodity price risk is the prime risk for the Company.

Information required under clause 9(n) of Part C of Schedule V to the Listing Regulations and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 are given hereunder:

Sugar, Ethanol and Power together constitute for more than 99% of the Company's revenues.

The major segment in which the Company operates in, which accounts for around 80% of the Company's revenues, is Sugar and as such Company is exposed to commodity price risk. Due to high cost of production and freight costs from plant to port, normally Company does not physically export sugar. However, when exports are rendered viable by the government through financial assistance for a specified quantity of export entitlement, the Company endeavours to avail its entitlement for export under the said schemes. In that case Company has a policy in place to hedge the export underlying exposure. For domestic sales, under the current regime, sales quotas are announced by the Government on monthly basis. Further there are not many active platforms in India which allow hedging of domestic sugar sales. In addition to above, the Govt. of India had announced Minimum Sale Price (MSP) for sale of sugar in the open market by every sugar mill. Such MSP, currently at ₹31/- per kg acts as a minimum floor price for the sale of sugar by the sugar mills in India. The Ethanol price is fixed by the Central Government every year depending on the cost of production of ethanol, cost of production of sugar, the prices at which the sugar is being sold in the market and the overall position of the sugar industry in terms of its ability to pay the cane price as announced by the Govt. Further, unlike countries such as Brazil, ethanol prices are currently not linked to crude prices. Thus, there is no price risk in case of ethanol and accordingly it does not require any hedging.

Similarly for supply of power to the State Electricity Grid, which are governed under long term Power Purchase Agreement(s) with the State Electricity Board, the prices are fixed for a term of five years. Further, subsequent to reduction in power tariffs the UPERC and the extended working capital cycle, the incentive to produce power for export to UPPCL has significantly reduced. However owing to onerous exit clauses in the PPA, the company is not in a position to explore sale of power to other consumers or on the energy exchanges.

There is no active market for steel futures in India for hedging the against price risk for ongoing capital expansion.

Accordingly, the details required under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/ 0000000141 dated 15th November, 2018 Disclosures regarding commodity risks by listed entities, are not applicable to the Company.

Further disclosures relating to risks and activities including commodity price risk, foreign exchange risk, etc., have been adequately covered under the Management Discussion and Analysis Report forming part of the Annual Report.

x) During the year under review, no complaint / case was filed or was pending for redressal pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xi) A certificate has been obtained from MKB & Associates, Practicing Company Secretaries confirming that none of the Directors of the Company have been debarred or disqualified by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as directors of the Company and the same forms part of the Annual Report.

xii) All recommendations made by the Committees of the Board during the year were accepted by the Board. During the FY 2020-21, there was no such instance wherein the Board had not accepted any recommendation ofany committee of the Board.

xiii) Details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part, given below:

Particulars	Amount (₹ in Lacs)
For Statutory Audit	52.50
For Taxation Matters	Nil
For Limited Review	15.75
For Certification Work	5.25
Reimbursement of Expenses	1.90
Total	**75.40**

xiv) The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

xv) Other items which are not applicable to the Company have not been separately commented upon.

For and on behalf of the Board of Directors

Sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN –00846939
Place: Balrampur

Sd/-
Vivek Saraogi
Managing Director
DIN – 00221419
Place: Kolkata

Date: 1st June, 2021

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

Balrampur Chini Mills Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

It is hereby confirmed that the Company has obtained affirmation from all the Board Members and Senior Management Personnel that they have complied with the said Code for the financial year 2020-21.

Sd/-
Vivek Saraogi
Managing Director
Balrampur Chini Mills Limited

Place: Kolkata
Date: 1st June, 2021

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Balrampur Chini Mills Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2021and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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 or violative of 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 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 :

   1. there has been no significant change in internal control over financial reporting during the year;

   2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. there has been no instance 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 systems over financial reporting.

Place: Kolkata
Date: 1st June, 2021

Sd/-
Vivek Saraogi
Managing Director

Sd/-
Pramod Patwari
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE OF BALRAMPUR CHINI MILLS LIMITED

To
The Members,
BALRAMPUR CHINI MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by BALRAMPUR CHINI MILLS LIMITED ("the Company") for the year ended on 31st March, 2021, as stipulated in Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge, information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

For **MKB & Associates**
Company Secretaries

Sd/-
Manoj Kumar Banthia
(Partner)
ACS no. 11470
COP no. 7596
FRN: P2010WB042700
UDIN: A011470C000408284

Date: 1st June, 2021
Place: Kolkata

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members,
Balrampur Chini Mills Limited
234/3A, AJC Bose Road
FMC Fortuna, 2nd Floor
Kolkata - 700 020
West Bengal

We have examined the relevant disclosures received from the Directors and registers, records, forms, returns maintained by Balrampur Chini Mills Limited (CIN: L15421WB1975PLC030118) having its Registered office at 234/3A, A. J. C. Bose Road, FMC Fortuna, 2nd Floor, Kolkata - 700 020, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31st March, 2021:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00116654	Mr. Sumit Mazumder	Independent Director	21.05.2016
2	00221419	Mr. Vivek Saraogi	Managing Director	03.07.1987
3	00040000	Mr. Dinesh Kumar Mittal	Independent Director	06.02.2014
4	02792753	Mr. Krishnava Dutt	Independent Director	06.02.2014
5	00846939	Dr. Arvind Krishna Saxena	Whole-time Director	31.07.2008
6	03059141	Mr. Naresh Dayal	Non-executive Director	15.11.2016
7	00885567	Ms. Veena Hingarh	Independent Director	31.08.2019
8	00462925	Ms. Mamta Binani	Independent Director	05.11.2020

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Sd/-
Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596
UDIN: A011470C000408273

Date: 1st June, 2021
Place: Kolkata

Annexure VI

BUSINESS RESPONSIBILITY REPORT

About Balrampur Chini Mills Limited:

Balrampur Chini Mills Limited ("the Company") is one of the largest integrated sugar manufacturing companies in India. The Company has 10 factories in Uttar Pradesh possessing a cane crushing capacity of 76,500 tonnes per day in aggregate while its distilleries possess an aggregate capacity of 520 kiloliters per day and cogeneration capacity of 278.47 megawatts (saleable 168.70 megawatts).

About this report:

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), prescribe that the Top 1000 companies based on market capitalisation as on 31st March of every financial year, shall have "Business Responsibility Report" as part of their Annual Report. Since the Company is one of the Top 1000 companies based on market capitalisation, following is the Business Responsibility Report ("the BR Report") of the Company for the financial year 2020-21.

The Business Responsibility Policy of the Company is based on the National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs, Government of India. The BR Report has been prepared in accordance with Regulation 34 of the Listing Regulations and provides the requisite information as prescribed by SEBI.

SECTION A: General information about the Company:

1.	Corporate Identity Number (CIN) of the Company:	L15421WB1975PLC030118	
2.	Name of the Company:	Balrampur Chini Mills Limited	
3.	Registered Address:	234/3A, A J C Bose Road, FMC Fortuna, 2nd Floor, Kolkata 700020	
4.	Website:	www.chini.com	
5.	Email ID:	bcml@bcml.in	
6.	Financial Year Reported:	2020-2021	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacturing of Sugar	10721
		Production of Industrial Alcohol	1101
		Generation of Power	35106
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	1. Sugar 2. Industrial Alcohol 3. Power (Co-generation)	
9.	Total number of locations where business activity is undertaken by the Company:	1. Number of International Locations (Provide details of major 5) – Nil 2. Number of National Locations: The Company carries out its operations through its Registered Office in Kolkata (West Bengal), offices in New Delhi and Lucknow and 10 Manufacturing Facilities located across Eastern and Central Uttar Pradesh at Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.	
10.	Markets served by the Company – Local/State/ National/International	Local	✓
		State	✓
		National	✓
		International	✗

SECTION B: Financial details of the Company:

1.	Paid up Capital (INR)	2100 Lacs
2.	Total Turnover (INR)	481165.70 Lacs (including other operating revenue)
3.	Total profit after taxes (INR)	46977.22 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹1067.55 Lacs, i.e., > 2% of average net profits of last three financial years
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure IV to the Board's Report forming part of this Annual Report.

SECTION C: Other Details:

1. Does the Company have any Subsidiary Company/ Companies?

   No, the Company does not have any subsidiary as on 31st March, 2021.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   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 responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number:	00846939
2.	Name	Dr. Arvind Krishna Saxena
5.	Designation:	Whole-time Director

b. Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. N. K. Agarwal Mr. Praveen Gupta
3.	Designation	Both of them are Executive President
4.	Telephone number	09721450393 09651769295
5.	e-mail id	nk.agarwal@bcml.in pravin.gupta@bcml.in

2. Principles as per NGRBC / BR Policy

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
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

Principle-wise (as per NGRBC) BR Policy/policies:

(a) Details of compliance:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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? If yes, specify? (50 words)	Yes, the Policy is based on the "National Guidelines on Responsible Business Conduct" released by the Ministry of Corporate Affairs, Government of India. Apart from this, the policies are based on the generally accepted practices for the respective principles.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Board of Directors of the Company has approved the Policy at their meeting held on 15th November, 2016 and the same was revised in the meetings of the Executive Committee of the Board and Board Meeting held on 29th November, 2018 and 10th February, 2020 respectively. The Policy has been signed by the Company Secretary, pursuant to the authorisation by the Board.								
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?	https://chini.com/sustainability/governance/policies/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy has been posted on the Company's website for information of all stakeholders in addition to internal stakeholders, other appropriate communication means like Notice Boards, etc., are used.								
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?	The implementation of the Business Responsibility Policy was evaluated by the Internal Auditors of the Company, being an independent audit firm, who reports issues, if any, to the Board of Directors of the Company.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial 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

Annually. During the year under review the Board of Directors has reviewed the BR performance of the Company at their meeting held on 2nd February, 2021.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published its Business Responsibility Report (on an annual basis) from the financial year 2016-17 and onwards and the same forms part of the relevant Annual Reports. The same can be accessed on the website of the company www.chini.com.

SECTION E: Principle-wise performance:

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company's policies on Ethics, Transparency and Accountability along with the Company's Code of Conduct and Business Ethics ("the Code") are applicable to all directors and employees of the Company. The directors and employees of the Company are expected to read and understand the Code, uphold the standards mentioned thereunder in their day-to-day activities and comply with all applicable laws, rules and regulations. The Company also has in place a Vigil Mechanism Policy (This Policy may also be called as "Whistle–Blower Policy").

There is no group structure or joint venture of the Company (except two Associate Companies). The Company does not have any subsidiary. The Company is also encouraging parties associated with it like vendors, suppliers, contractors, etc., to follow the principles envisaged in the Policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	Complaints Received during FY 2020-21	Complaints Resolved during FY 2020-21	Complaints Resolved (%)
Investors' Complaints	122	122	100%
Customers' Complaints	18	18	100%
Total	**140**	**140**	**100%**

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in manufacturing of sugar, industrial alcohol and co-generation of power. All the products of the Company take care of the social / environment concerns and risks. The Company has bagasse-based power generation facilities, which is a great alternative to fossil fuels and reduces greenhouse gas emission to safeguard the environment. The Company has also invested in optimisation of power and steam consumption which saves additional bagasse and provides additional raw material for enhanced running of capacities already installed. Earlier the effluents from sugar mills was considered a nuisance, however, with improved effluent treatment systems now available, the treated effluent has become a boom for farmers for land irrigation. The treated water is recycled through RO Plants to substitute fresh water requirements.

The Industrial Alcohol producing units are running on Zero Liquid Discharge (ZLD) technology and therefore, does not have any negative impact on the environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company has progressively invested in optimum use of resources. The core cane crushing operation generates molasses (as by-product) and bagasse (as waste); molasses is utilised to manufacture ethanol (a green fuel) while bagasse is being utilised to generate green power.

Sugar is traditionally a water surplus industry as Cane has inherent water content of 68-72 % (680-720 litres per MT of cane). Further about 180 -200 litres of ground water is used per MT of cane. Out of the total generation quantity approximately 48-50% (Say 480 litres per MT of cane) evaporates through cooling towers, approximately 3-4% (say 30 litres per MT of cane) are flash losses inside the factory, approximately 17-18% (say 170 litres per MT of cane) is carried forward along with products, by-products and waste products, while the remaining 18-20% (say 180 litres per ton cane crush) is sent to ETP for treatment and then is allowed to be discharged to surface water system.

All our sugar units are now equipped with the latest effluent treatment plants (ETP) coupled with buffer storage reservoirs to avoid shock load of the ETP and with reservoirs (lagoons) for irrigation to comply with pollution control board norms for treated discharge water. We are one of the few companies having Sulphate removal system installed at all our units for the treatment of overflow water from cooling tower and spray pond. Further though we are not in Ganga Basin, we have upgraded our ETP and are 100% compliant to the pollution control norms.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The data regarding reduction during usage by consumers is not available with the Company but the Company regularly makes investments to reduce energy and water consumption.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company deploys sustainable procurement practice. All the plants of the Company are situated close to cane growing area. Entire raw material is procured sustainably. Since the inputs are procured from sources close to the units, it also helps in minimizing transportation costs. Cane is also supplied by small and medium farmers through bullock driven carts. This significantly reduces the environmental impact of transportation of raw materials.

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 sources almost 100% of its raw materials (that is, sugarcane) from areas near to the units. It procures cane from the farmers (including small and medium farmers) based on the areas allotted to the respective units by the Cane Commissioner. The Company works closely with cane growers of the allotted areas to improve their productivity. In order to achieve this, the Company shares knowledge and expertise in sustainable agriculture practices with the farmers for cane cultivation. Besides this, the farmers are also guided on selection and use of right type of agri-inputs. These developmental activities help in improvement of quality and yield of cane thereby benefitting the Company as well as the farmers. The Company has been highly effective in encouraging farmers to grow the best variety of cane.

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 <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The core cane crushing operation generates molasses as a by-product which is utilised to manufacture ethanol. Waste generated from sugar crushing operation (bagasse) & distillery operation (spent wash) are used as fuel for generating clean energy. Further, Boiler Ash generated from Incineration Plants is rich in Potash and thereby serves as a vital soil nutrient. We have installed potash granulation plant for converting the rich potash resource into a form which can be used as agri-inputs. Thus the by-products and waste generated out of manufacturing processes are mostly recycled.

Principle 3

		As on 31st March, 2021
1.	Please indicate the Total number of employees.	5920 (Includes Permanent and Seasonal Permanent employees but does not include Badli Workers, Retainers, Advisors, Trainees / Apprentices, etc.,)
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Sugar Industry being a seasonal industry, the Company has different number of employees hired on seasonal basis during the season and off-season. In view of this, the number of employees hired on seasonal / temporary / contractual / casual basis as on 31st March, 2021 would not be meaningful and hence not provided.
3.	Please indicate the Number of permanent women employees.	4
4.	Please indicate the Number of permanent employees with disabilities.	2

		As on 31st March, 2021
5.	Do you have an employee association that is recognised by management.	Yes
6.	What percentage of your permanent employees is members of this recognised employee association?	The Company has 10 Sugar Mills located across Eastern and Central Uttar Pradesh. The factory-wise percentage varies from Nil to around 70%.
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.	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
a.	Permanent Employees	65%
b.	Permanent Women Employees	100%
c.	Casual/Temporary/Contractual Employees	9%
d.	Employees with Disabilities	100%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.

   The Company identifies marginal growers with very small land holdings around its units as disadvantaged, vulnerable & marginalised stakeholders. The Company continuously engages with majority of them for identifying their needs & priorities and provides need based resolution to their problems.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

   Developmental activities are carried out by the Company by providing necessary guidance to the small and marginalised growers towards selection of right variety of seed, training in technology and agri-inputs, etc. which has helped them to increase their income sustainably.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company's policy on respecting and promoting human rights is applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company (except two Associate Companies). The Company doesn't have any subsidiary. The Company is gradually encouraging vendors, suppliers, contractors, etc., associated with it, to follow the principles envisaged in the Policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaint was received pertaining to human rights violation during the past financial year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company's policies on Respecting, Promoting and Restoring the Environment and in relation to Environment, Health & Safety (EHS) are applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company (except two Associate Companies). The Company doesn't have any subsidiary. The Company is gradually encouraging vendors, suppliers, contractors, etc. associated with it to follow the principles envisaged in the Policy. The EHS Policy also covers the contractors engaged by the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Global environment issues such as climate change, global warming, GHG emissions pose challenges to all. The Company is totally committed to reduce their impact and has put up captive power plants where Bagasse (waste generated) is used as fuel for generating renewable power thus contributing to reduction of Green House Gas. At the Distillery, Spent Wash (effluent generated) is mixed with Bagasse and used as fuel in boilers to generate clean energy with minimal carbon footprint by incineration process.

There is no usage of non-renewal resources except in case of power outages/emergency. The Company has installed ESP and wet scrubbers at the boilers to arrest / control air pollution.

3. Does the company identify and assess potential environmental risks? Y/N

   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?

   No.

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, the Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. The Company has achieved spectacular results in utilisation of hazardous and pollutant industrial waste namely Spent Wash. This waste is used as a fuel at the incineration boilers of the Company for generating clean energy.

   Further details relating to conservation of energy can be found in Annexure II forming part of the Board's Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   All the emissions / waste generated by the Company during the financial year 2020-21 are generally within the permissible limits given by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause/ legal notices from CPCB/SPCB are pending as on 31st March, 2021.

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:

   The Company is member of various trade, industry and chamber associations like CII, FICCI, Indian Chamber of Commerce, Indian Sugar Mills Association, UP Sugar Mills Association, UP Sugar Mills Co Gen Association, etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The Company prefers to be part of the broader policy development process taking into account the Company's as well as larger national and stakeholders' interest. However, it does not practice lobbying on any specific issue.

Principle 8

1. Does the company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The CSR initiatives of the Company ensures its commitment to operate in an economically, socially and environmentally sustainable manner in the best interest of all the stakeholders. CSR activities are carried on by the Company through:

   (i) Balrampur Foundation,

   (ii) Other societies, trusts, hospitals, funds or organisations engaged in CSR activities, as may be approved by the CSR Committee of the Board.

   The details of programmes/ initiatives/ projects in pursuit of the CSR policy are provided in the Annual Report on CSR forming part of the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

   The programmes/projects are undertaken by the Company either directly and/ or through Implementing Agencies as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

3. Have you done any impact assessment of your initiative?

   The Company assesses the impact of its CSR Projects and Programmes at Board and CSR Committee meetings. Updates on the utilisation, certifications and details received from the implementing agencies are placed at the CSR Committee meetings for its review and assessment.

   Although not mandatory, the Board of Directors of the Company has appointed an independent impact assessment agency viz. Third Planet Foundation to carry out the Impact Assessment of the CSR interventions of the Company. As per the Impact Assessment Report issued by Third Planet Foundation in May 2021, the CSR interventions of the Company have created a very meaningful and needful impact in the community and all the thematic areas have shown growth, outcomes and impact across all the location. The CSR Committee and the Board of Directors of the Company took a note of the same at their respective meetings held on 1st June, 2021. The Impact assessment Report is available on the Company's website at the following web-link: https://chini.com/sustainability/social/

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Company has spent an amount of ₹1067.55 Lacs in various CSR activities during the FY 2020-21. The details of the amount incurred and areas covered are given in Annexure - IV (Annual Report on CSR) forming part of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Apart from various CSR projects and programs eligible as CSR spend under the prescribed law, various community development initiatives are also undertaken by the Company after identifying the needs of the communities requiring development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively. Apart from this, the Company also procures details of utilisation / certificates of utilisation from the implementing agencies to which the Company has contributed for community development.

   Further the Company has engaged an Independent Professional Agency for Impact Assessment which has stated that the Community Development initiatives has been successfully adopted by the Community.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   The Company has successfully resolved 100% of the complaints received during the financial year ended 31st March, 2021 and no complaint relating to the current year or an earlier year is pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)

   Yes, the applicable product information, wherever it is sold in packed condition, is displayed on the bags. Besides, the Company complies with the applicable regulations as provided in Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   There is no formal customer survey carried out by the Company. However, the Company ensures customer satisfaction by obtaining informal feedback from the wholesellers / agents from the market. Further, the website of the Company has a specific section where customers can post their queries, grievances and feedback for the products of the Company.

For and on behalf of the Board of Directors

Sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN – 00846939
Place: Balrampur

Sd/-
Vivek Saraogi
Managing Director
DIN – 00221419
Place: Kolkata

Date: 1st June, 2021

Annexure VII

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
BALRAMPUR CHINI MILLS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BALRAMPUR CHINI MILLS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the 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 authorized representatives during the conduct of secretarial audit, and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) 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

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

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

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

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

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

   a) The Sugar (Control) Order, 1966;

   b) The Levy Sugar Price Equalisation Fund Act, 1976; [as intimated by the Company not applicable during the year under audit];

c) The Food Safety And Standards Act, 2006 and Rules and Regulations made there under;

d) The Agricultural and Processed Food Products Export Development Authority Act, 1986; [as intimated by the Company not applicable during the year under audit];

e) The Export (Quality Control and Inspection) Act, 1963; [as intimated by the Company not applicable during the year under audit];

f) The Essential Commodities Act,1955;

g) The Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

b) 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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.

We further report that during the audit period the Company has obtained approval of its Shareholders by means of special resolution for reappointment of Mr. Sumit Mazumder (DIN: 00116654) as an Independent Director of the Company to hold office for his second term of five consecutive years with effect from 1st May, 2021 to 30th April, 2026 and approval for continuation of Mr. Mazumder as an Independent Director of the Company from the day he attains the age of 75 years till the remaining period of his second term, i.e. upto 30th April, 2026.

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

For MKB & Associates
Company Secretaries
Firm Reg. No: P2010WB042700

Sd/-
Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596

Date: 1st June, 2021
Place: Kolkata
UDIN: A011470C000408240

Annexure – I

To
The Members,
BALRAMPUR CHINI MILLS LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Note: Due to continuing Covid-19 pandemic, for carrying on and completion of the Audit, documents /details have also been provided by the Company through electronic mode and the same have been verified by us.

For MKB & Associates
Company Secretaries
Firm Reg. No: P2010WB042700

Sd/-
Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596

Date: 1st June, 2021
Place: Kolkata
UDIN: A011470C000408240

STANDALONE
FINANCIAL STATEMENTS

Independent Auditors' Report

To
The Members of
Balrampur Chini Mills Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Balrampur Chini Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying standalone financial statements.

Sl. No.	Key audit matters	Addressing the Key Audit Matters
1.	**Valuation and determination of Inventory** As on 31st March, 2021, the Company has inventory of sugar with the carrying value of ₹ 201416.00 Lacs which forms significant part of the total assets of the Company. The inventory of sugar is valued at the lower of cost and net realizable value. Significant judgement is involved in determining • the cost of production of sugar which is dependent upon variability in seasonal factors including number of sugarcane crushing days, recovery of sugar from cane and valuation of the products incidental to production of sugar. • the realizable price of sugar which is factored by minimum sale price, monthly quota and fluctuation in domestic and international selling prices.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the inventory include the following:** • Evaluating the accounting policy followed for valuation of inventory of sugar and appropriateness thereof with respect to relevant accounting standards in this respect. • Review of the process of physical verification of sugar and its reconciliation with the book stock. • Understanding and testing the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar and consistency with respect to policy followed in this respect.

Sl. No.	Key audit matters	Addressing the Key Audit Matters
		• Assessing the adequacy of the method used, relevance and reliability of data and the systems & procedures followed for arriving at the cost of sugar inventory. • Review of the selling price of sugar prevailing at the year end and subsequent to the same both in the domestic and international market and directives of the Government concerning minimum sale price, monthly quota and related export obligations and initiative taken by the company ensuring the compliances thereof.
2.	**Recognition of Deferred tax assets and liabilities** Deferred tax assets pertaining to MAT Credit entitlement amounting to ₹ 17807.52 Lacs recognised in earlier year has been continued in this year. Recognition of deferred tax assets and liabilities is based on expected utilization and/ or reversal thereof considering the management's projection of future taxable income of the company. This involves estimation of future operations and profitability based on assumptions and anticipations which may be in variance with the actual happening.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the recognition of deferred tax assets include the following** • Evaluation of the temporary differences and utilization/ reversal of deferred tax assets and liabilities based on internal forecasts by the management and resultant impact on future taxable income of the Company. • The above includes critical review of underlying assumptions for consistency and arriving at reasonable level of probability on the matters with due regard to the current and past results and performances, as required in terms of Ind AS 12 Income Taxes and principles in this regard. • Review of management's assumption with respect to profit in future periods and taxability thereof and placing reliance on such assumptions and projections given the current scale of operations and prevailing conditions and situations.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report with respect to the above.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with relevant rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;

   e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 with reference to the standalone financial statements 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 internal control with reference to the standalone financial statements of the Company.

3. With respect to the other matters to be included in the Auditors' 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. Pending litigations (other than those already recognised in the standalone financial statements) having material impact on the financial position of the Company have been disclosed in the standalone financial statements as required in terms of accounting standards and provisions of Companies Act, 2013 – refer note 35(1)(a) and 35(3)(b) to the standalone financial statements.

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current financial year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

FOR LODHA & CO.
Chartered Accountants
Firm's Registration No.- 301051E

sd/-
R. P. SINGH
Partner
Membership No.- 052438
UDIN:21052438AAAABR8904

Place of Signature: Kolkata
Date: 01st June, 2021

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of M/s Balrampur Chini Mills Limited of even date)

i. In respect of the Company's property, plant and equipment

a. The Company has maintained proper records showing full particulars, including quantitative details and situations of its property, plant and equipment.

b. During the year, property, plant and equipment have been physically verified by the management according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.

c. According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note No. 4 on Property, plant and equipment to standalone financial statements, are held in the name of the Company. The title deeds of immovable properties pertaining to eight sugar units have been kept under the custody of Security Trustee appointed and the balance with the Bank and the necessary confirmations in this respect had been received.

ii. As informed, the inventories of the Company, have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such physical verification. The discrepancies noted during the year have been properly dealt with in the books of the account.

iii. The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. As the Company has not granted any loan to parties wherein Directors are interested provisions of section 185 is not applicable to the Company.

v. The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and based on our examination of the books of account:

a. During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Custom Duty, Cess, Goods and Services Tax (GST) and other statutory dues as applicable to it.

b. The details of disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise and value added tax, if any, as at 31st March, 2021, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	1.08	2009-10	Dy. Commissioner, (Appeal) – Balrampur

viii. In our opinion and based on the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to Government, financial institutions or banks. The Company has not issued any debentures during the year nor has any outstanding since the opening of the financial year.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or any term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

x. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR LODHA & CO.
Chartered Accountants
Firm's Registration No.- 301051E

sd/-
R. P. SINGH
Partner
Membership No.- 052438
UDIN:21052438AAAABR8904

Place of Signature: Kolkata
Date: 01st June, 2021

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Balrampur Chini Mills Limited ("the Company") as at 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENE TO THE STANDALONE FINANCIAL STATEMENT

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31st March, 2021, based on the internal control with reference to standalone financial statements 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.

FOR LODHA & CO.
Chartered Accountants
Firm's Registration No.- 301051E

sd/-
R. P. SINGH
Partner
Membership No.- 052438
UDIN:21052438AAAABR8904

Place of Signature: Kolkata
Date: 01st June, 2021

Standalone Balance Sheet as at 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
ASSETS					
Non - current assets					
(a) Property, plant and equipment	4	159775.40		162315.67	
(b) Capital work-in-progress	4A	1447.90		1239.64	
(c) Intangible assets	5	82.95		88.93	
(d) Financial assets					
(i) Investments	6(i)	17713.13		17978.63	
(ii) Trade receivables	7(i)	-		-	
(iii) Other financial assets	8(i)	214.21		204.13	
(e) Non-current tax assets (net)	9	641.38		840.27	
(f) Other non-current assets	10	878.24	180753.21	483.54	183150.81
Current assets					
(a) Inventories	11	237845.71		229497.13	
(b) Biological assets	12	6.08		12.50	
(c) Financial assets					
(i) Investments	6(ii)	-		564.58	
(ii) Trade receivables	7(ii)	24546.35		23928.87	
(iii) Cash and cash equivalents	13	44.67		149.24	
(iv) Bank balances other than cash and cash equivalents	14	235.22		316.34	
(v) Other financial assets	8(ii)	9547.60		29785.49	
(d) Other current assets	15	3211.98	275437.61	7382.39	291636.54
Total Assets			**456190.82**		**474787.35**
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	16	2100.00		2200.00	
(b) Other equity	17	254284.60	256384.60	234841.16	237041.16
Liabilities					
Non - current liabilities					
(a) Financial liabilities					
Borrowings	18(i)	24327.52		34026.12	
(b) Deferred income	20	717.66		1467.81	
(c) Provisions	21(i)	820.85		672.10	
(d) Deferred tax liabilities (net)	22	4728.23	30594.26	2414.35	38580.38
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	18(ii)	89136.27		105869.20	
(ii) Trade and other payables	23				
(a) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		128.75		203.75	
Total outstanding dues of creditors other than micro enterprises and small enterprises		59174.93		66790.75	
(b) Other payables					
Total outstanding dues of micro enterprises and small enterprises		26.46		8.67	
Total outstanding dues of creditors other than micro enterprises and small enterprises		314.48		792.01	
(iii) Other financial liabilities	19	16091.74		16583.76	
(b) Deferred income	20	750.15		982.59	
(c) Other current liabilities	24	3053.50		5911.71	
(d) Provisions	21(ii)	535.68	169211.96	2023.37	199165.81
Total Equity and Liabilities			**456190.82**		**474787.35**
Corporate information	1				
Significant accounting policies and the accompanying notes 2 to 35 are an integral part of the standalone financial statements.					

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from operations	25	481165.70	474129.40
Other income	26	3344.81	3854.67
Total income		**484510.51**	**477984.07**
Expenses:			
Cost of materials consumed	27	351186.14	346415.81
Changes in inventories of finished goods, by-products and work-in-progress	28	(5583.15)	3733.54
Employee benefits expense	29	28164.99	25399.61
Finance costs	30	3929.59	6417.02
Depreciation and amortisation expense	31	11187.64	10141.73
Other expenses	32	36014.40	30383.51
Total expenses		**424899.61**	**422491.22**
Profit before tax		**59610.90**	**55492.85**
Tax expense	33		
Current tax		10259.89	9710.33
Deferred tax		2373.79	(5145.66)
Total tax expense		**12633.68**	**4564.67**
Profit for the year		**46977.22**	**50928.18**
Other comprehensive income	34		
Items that will not be reclassified to profit or loss		(85.63)	(1110.37)
Income tax relating to items that will not be reclassified to profit or loss		29.92	408.98
Total other comprehensive income for the year		**(55.71)**	**(701.39)**
Total comprehensive income for the year		**46921.51**	**50226.79**
(Comprising of profit and other comprehensive income for the year)			
Earnings per equity share of ₹ 1/- each	35(7)		
- Basic and Diluted (₹)		22.01	22.98
Weighted average number of shares used in computing earnings per share			
- Basic and Diluted		213452055	221613887
Corporate information	1		
Significant accounting policies and the accompanying notes 2 to 35 are an integral part of the standalone financial statements.			

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438

sd/-
Manoj Agarwal
Company Secretary

sd/-
Pramod Patwari
Chief Financial Officer

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata
Date: 01st June, 2021

Place of Signature: Kolkata

Place of Signature: Kolkata

Place of Signature: Balrampur

Place of Signature: Kolkata

Standalone Statement of Changes in Equity for the year ended 31st March, 2021

(a) Equity share capital

For the year ended 31st March, 2021 (₹ in Lacs)

Opening balance as at 1st April, 2020	Changes in equity share capital during the year [Refer Note No. 16(c)]	Closing balance as at 31st March, 2021
2200.00	(100.00)	2100.00

For the year ended 31st March, 2020 (₹ in Lacs)

Opening balance as at 1st April, 2019	Changes in equity share capital during the year [Refer Note No. 16(c)]	Closing balance as at 31st March, 2020
2284.38	(84.38)	2200.00

(b) Other equity

(₹ in Lacs)

Particulars	Reserves and surplus						Other comprehensive income	Total other equity
	Capital reserve	Securities premium	Capital redemption reserve	Storage fund for molasses	General reserve	Retained earnings	Re-measurement of defined benefit plan	
Opening balance as at 1st April, 2020	**1075.58**	**9819.98**	**2904.48**	**87.19**	**110000.00**	**110953.93**	**-**	**234841.16**
Changes in equity during the year ended 31st March, 2021								
Profit for the year	-	-	-	-	-	46977.22	-	46977.22
Other comprehensive income for the year	-	-	-	-	-	-	(55.71)	(55.71)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**46977.22**	**(55.71)**	**46921.51**
Transfer on account of buy-back of equity shares [Refer Note No. 35(4)]	-	(100.00)	100.00	-	-	-	-	-
Utilised on account of buy-back of equity shares [Refer Note No. 35(4)]	-	(9719.98)	-	-	-	(8180.02)	-	(17900.00)
Tax on buy-back of equity shares [Refer Note No. 35(4)]	-	-	-	-	-	(4193.28)	-	(4193.28)
Buy-back expenses (net of tax ₹44.95 Lacs) [Refer Note No. 35(4)]	-	-	-	-	-	(83.69)	-	(83.69)
Storage fund for molasses created during the year [Refer Note No. 17(v)]	-	-	-	55.73	-	-	-	55.73
Storage fund for molasses written back during the year [Refer Note No. 17(v)]	-	-	-	(106.83)	-	-	-	(106.83)
Transfer (to)/from retained earnings	-	-	-	-	40000.00	(40055.71)	55.71	-
Interim dividend [Refer Note No. 35(19) (b)]	-	-	-	-	-	(5250.00)	-	(5250.00)
Closing balance as at 31st March, 2021	**1075.58**	**-**	**3004.48**	**36.09**	**150000.00**	**100168.45**	**-**	**254284.60**

Standalone Statement of Changes in Equity for the year ended 31st March, 2021 *(contd...)*

(b) Other equity *(contd...)*

(₹ in Lacs)

Particulars	Reserves and surplus						Other comprehensive income		Total other equity
	Capital reserve	Securities premium	Capital redemption reserve	Storage fund for molasses	General reserve	Retained earnings	Re-measurement of defined benefit plan	Gain on equity instruments	
Opening balance as at 1st April, 2019	**1075.58**	**24587.05**	**2820.10**	**39.85**	**90000.00**	**87462.92**	**-**	**-**	**205985.50**
Changes in equity during the year ended 31st March 2020									
Profit for the year	-	-	-	-	-	50928.18	-	-	50928.18
Other comprehensive income for the year	-	-	-	-	-	-	(750.91)	49.52	(701.39)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**50928.18**	**(750.91)**	**49.52**	**50226.79**
Transfer on account of buy-back of equity shares	-	(84.38)	84.38	-	-	-	-	-	-
Utilised on account of buy-back of equity shares	-	(14682.69)	-	-	-	-	-	-	(14682.69)
Buy-back expenses (net of tax ₹ 56.53 Lacs)	-	-	-	-	-	(105.24)	-	-	(105.24)
Storage fund for molasses created during the year [Refer Note No. 17(v)]	-	-	-	47.34	-	-	-	-	47.34
Transfer (to)/from retained earnings	-	-	-	-	20000.00	(20701.39)	750.91	(49.52)	-
Interim dividend [Refer Note No. 35(19)(b)]	-	-	-	-	-	(5500.00)	-	-	(5500.00)
Dividend distribution tax on interim dividend [Refer Note No. 35(19)(b)]	-	-	-	-	-	(1130.54)	-	-	(1130.54)
Closing balance as at 31st March, 2020	**1075.58**	**9819.98**	**2904.48**	**87.19**	**110000.00**	**110953.93**	**-**	**-**	**234841.16**

Corporate information Note No. 1

Significant accounting policies and the accompanying notes 2 to 35 are an integral part of the standalone financial statements.

Description of purposes of each reserve have been disclosed in Note No. 17.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Standalone Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		**59610.90**		**55492.85**
Adjustments to reconcile profit before tax to net cash flow provided by operating activities :				
Finance costs	3929.59		6417.02	
Depreciation and amortisation expense	11187.64		10141.73	
Profit on sale/discard of property, plant and equipment (net)	(83.57)		(476.28)	
Sundry debit balances/advances written off	36.33		196.59	
Claims receivable written off	-		262.94	
Obsolete store and spares written off (net)	36.67		-	
Provision for obsolescence /non-moving store and spares	-		3.56	
Transfer to storage fund for molasses	55.73		47.34	
Interest income on financial assets	(31.44)		(300.39)	
Gain on buy-back of equity shares of an associate	(754.02)		-	
Liabilities no longer required written back	(321.22)		(713.73)	
Provision for doubtful advances written back	(1.02)		(6.00)	
Storage fund for molasses written back	(106.83)		-	
		13947.86		15572.78
Operating profit before working capital changes		**73558.76**		**71065.63**
Adjustments to reconcile operating profit to cash flow provided by changes in working capital :				
(Increase)/decrease in inventories	(8385.25)		2088.39	
Decrease in biological assets	6.42		4.99	
(Increase)/decrease in trade and other receivables	(617.48)		21074.49	
Decrease/(increase) in other current /non-current financial assets	20227.18		(10943.74)	
(Increase) in other current /non-current assets	(607.02)		(542.22)	
(Deposit)/withdrawal from escrow account for cane price payment	(6.14)		28.96	
(Decrease)/increase in trade and other payables	(7369.60)		6548.90	
(Decrease)/increase in other current /non-current financial liabilities	(2362.56)		2240.70	
(Decrease)/increase in other current /non-current liabilities	(2858.21)		2893.76	
(Decrease)/increase in provision for employee benefits	(1424.57)		424.27	
		(3397.23)		23818.50
Cash generated from operations		**70161.53**		**94884.13**
Tax paid (net)		(5264.68)		(9923.14)
Net cash generated from operating activities (A)		**64896.85**		**84960.99**

Standalone Cash Flow Statement for the year ended 31st March, 2021 *(contd...)*

(₹ in Lacs)

Particulars		Year ended 31st March, 2021		Year ended 31st March, 2020	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment, capital work-in-progress and intangible assets		(10086.07)		(25437.91)	
Sale of property, plant & equipment		309.55		1248.21	
Purchase of shares of an associate		-		(8250.00)	
Sale of shares of an associate pursuant to buy-back		1019.52		-	
Redemption of debentures		554.75		1366.87	
Sale of investment in equity shares		-		85.00	
Proceeds from maturity of national savings certificates		-		4.84	
Fixed deposits placed with banks		(97.15)		(114.19)	
Fixed deposits redeemed from banks		144.74		43.22	
Interest received on debentures/fixed deposits and NSC		41.95		582.67	
Net cash used in investing activities	**(B)**		**(8112.71)**		**(30471.29)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Payment towards buy-back of shares		(18000.00)		(14767.07)	
Payment of tax towards buy-back of shares		(4193.28)		-	
Buy-back expenses		(128.64)		(161.77)	
Proceeds from long-term borrowings		-		13024.00	
Repayment of long-term borrowings		(8336.53)		(6009.62)	
(Repayment) /proceeds of short-term borrowings (net)		(16732.93)		(33597.04)	
Interest paid		(4207.79)		(6373.06)	
Other borrowing costs		(39.54)		(37.12)	
Interim dividend paid		(5250.00)		(5500.00)	
Dividend distribution tax paid		-		(1130.54)	
Net cash used in financing activities	**(C)**		**(56888.71)**		**(54552.22)**
Net (decrease) in cash and cash equivalents	**(A+B+C)**		**(104.57)**		**(62.52)**
Opening cash and cash equivalents			149.24		211.76
Closing cash and cash equivalents for the purpose of Standalone Cash Flow Statement			**44.67**		**149.24**

Footnotes:

1) The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

2) Interest expense is inclusive of, and additions to property, plant and equipment and intangible assets are exclusive of, interest capitalised ₹ Nil (Previous Year: ₹ 20.47 Lacs).

3) Additions to property, plant and equipment, capital work-in-progress and intangible assets include capital advances.

4) Cash and cash equivalents do not include any amount which is not available to the Company for its use.

5) Company has incured ₹ 1067.55 Lacs (Previous year: ₹ 1092.89 Lacs) in cash on acount of Corporate Social Responsibility (CSR) expenditure.

Standalone Cash Flow Statement for the year ended 31st March, 2021 *(contd...)*

6) Cash and cash equivalents as at the Balance Sheet date consists of: (₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Balance with banks on current accounts	10.07	46.72
b) Cash on hand	34.60	102.52
Closing cash and cash equivalents (Refer Note No. 13)	**44.67**	**149.24**

7) Change in Company's liabilities arising from financing activities: (₹ in Lacs)

Particulars	As at 31st March, 2020	Cash flows*	Non-cash flows	As at 31st March, 2021
a) Non-current borrowings from banks [Refer Note No. 18 (i)]	33802.37	-	(9575.03)	24227.34
b) Current maturities of long term debt [Refer Note No. 19]	8336.53	(8336.53)	10557.62	10557.62
c) Short term borrowings [Refer Note No. 18 (ii)] #	105869.20	(16732.93)	-	89136.27
d) Interest accrued but not due on borrowings [Refer Note No. 19]	660.97	(660.97)	326.06	326.06
Total	**148669.07**	**(25730.43)**	**1308.65**	**124247.29**

* Includes cash flows on account of both principal and interest.

Cash flows represents cash flows during the year on net basis.

8) As breakup of Cash and cash equivalents is also available in Note No. 13, reconciliation of items of Cash and cash equivalents as per Standalone Cash Flow Statement with the respective items reported in the Standalone Balance Sheet is not required and hence not provided.

Corporate information Note No. 1

Significant accounting policies and the accompanying notes 2 to 35 are an integral part of the standalone financial statements.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438

sd/-
Manoj Agarwal
Company Secretary

sd/-
Pramod Patwari
Chief Financial Officer

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata
Date: 01st June, 2021

Place of Signature: Kolkata

Place of Signature: Kolkata

Place of Signature: Balrampur

Place of Signature: Kolkata

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 1 - Corporate information

Balrampur Chini Mills Limited ("BCML" or "Company") having Corporate Identity Number ("CIN") L15421WB1975PLC030118 is a public limited company incorporated and domiciled in India and has its registered office located at FMC Fortuna, 2nd Floor, 234/3A, AJC Bose Road, Kolkata – 700020, West Bengal, India.

Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Company is one of the major integrated sugar manufacturing companies in India. The principal activity of the Company is manufacturing and sale of sugar. Besides this, the allied business activities of the Company primarily consists of manufacturing and sale of ethanol, ethyl alcohol, generation and sale of power and manufacturing and sale of agricultural fertilizers.

The standalone financial statements for the year ended 31st March, 2021 were approved for issue by the Board of Directors of Company on 1st June, 2021 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

Note No. : 2 - Significant accounting policies

2.1 Basis of preparation

These standalone financial statements have been prepared under Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under historical cost convention on an accrual basis, except certain financial instruments and biological assets which are measured in terms of relevant Ind AS at fair value/cost, and other relevant provisions of the Act (to the extent notified).

All Ind AS issued and notified till the standalone financial statements are approved for issue by the Board of Directors have been considered in preparing these standalone financial statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

All the assets and liabilities (other than deferred tax assets/liabilities) have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Company has identified its operating cycle as 12 months for current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are considered as non-current.

The items included in the standalone financial statements (including notes thereon) are measured using the currency of the primary economic environment in which Company operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or "₹"). All amounts disclosed in the standalone financial statements including notes thereon have been rounded off to the nearest two decimals of Lacs, unless otherwise stated.

2.2 Recent pronouncements

Effective 1st April, 2020, there were certain amendments in Indian Accounting Standards (Ind AS) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 103 'Business Combinations', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 116 'Leases'.

Ind AS 1 has been modified to redefine the term 'Material' and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

Ind AS 103 dealing with 'Business Combination' has defined the term 'Business' to determine whether a transaction or event is a business combination.

Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Note No. : 2 - Significant accounting policies *(contd...)*

Ind AS 116 dealing with 'Leases' permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2.3 Revenue recognition

Contract with a customer is accounted for only when it has commercial substance and all of the following criteria are met:

(i) Parties to the contract have approved the contract and are committed to performing their respective obligations;

(ii) Each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) Consideration in exchange for the goods or service to be transferred is collectible and determinable.

(a) Revenue from operations

Revenue is measured based on the consideration specified in the contract with the customers and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over the goods or services have been transferred and/or goods /services are delivered/provided to the customers. Delivery occurs when the goods have been shipped or delivered to the specific location as the case may be and the customer has either accepted the goods under the contract or Company has sufficient evidence that all the criteria for acceptance have been satisfied. For further information, Refer to Note No. 35(11).

Returns, discounts and rebates as determined are deducted from sales.

(b) Other income

(i) Interest income

For all debt instruments measured at amortised cost, interest income is recognised using the Effective Interest Rate ("EIR"). Interest income is included in "Other Income" in the statement of profit and loss.

(ii) Dividend income

Dividend income is recognised when Company's right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

(iii) Insurance claims

Insurance claims are accounted for based on claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.4 Property, plant and equipment ("PPE") and Capital work-in-progress ("CWIP")

(a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and the purchase cost of assets, including non-recoverable duties and taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets is capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

(b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to Company and it can be measured reliably.

The carrying amount of the replaced part is derecognised. The costs of regular servicing of property, plant and equipment are recognised in the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for provisions are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components; otherwise, these are added to and depreciated over the useful life of the main asset.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or when no future economic benefits are expected to arise from the use of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

(c) Property, plant and equipment includes Leasehold land classified as Right-of-use assets.

(d) Depreciation methods, estimated useful lives and residual value

Depreciation on items of property, plant and equipment commences when the assets are available for their intended use. It is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset specified under Schedule II to the Companies Act, 2013 except in respect of items of "Plant and Equipment" and "Vehicles" whose estimated useful lives are determined based on technical evaluation to reflect the actual usage of the assets and past history of replacement. The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

The estimated useful lives considered are as follows:

Category	31st March 2021
Buildings	03 - 60 years
Roads	03 - 10 years
Plant and equipment	05 - 25 years
Furniture and fixtures	10 years
Vehicles	05- 10 years
Office equipments	03 - 05 years
Computers	03 - 06 years
Electrical installation and equipment	05 - 10 years
Pipelines	15 years

Each item of property, plant and equipment individually costing ₹ 5000/- or less are depreciated over a period of one year from the date the said asset is available for use.

Leasehold land classified as 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.

The residual values of assets (individually costing more than ₹ 5000/-) is not more than 5% of the original cost of the asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(e) Expenditure during the construction period

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under Capital work-in-progress. Capital work-in-progress is stated at the amount incurred up to the balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

2.5 Intangible assets (Computer Software)

(a) Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset.

Intangible assets purchased are measured at cost as at the date of acquisition, less accumulated amortisation and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and acquisition price, license fees, non-refundable taxes and costs of implementation/system integration services and any directly attributable expenses, wherever applicable for bringing the asset to its working condition for the intended use.

Note No. : 2 - Significant accounting policies *(contd...)*

(b) Amortisation methods, estimated useful lives and residual value

Computer software is amortised on a straight-line basis (without keeping any residual value) over its estimated useful lives of five years from the date they are available for use.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(c) The cost and related accumulated amortisation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

2.6 Inventories

(a) Inventories (other than By-products and scraps) are valued at lower of cost and net realizable value after providing for obsolescence if any.

Cost of inventory comprises of the purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories. The cost of inventories is computed on a weighted average basis.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(b) By-products and scraps are valued at net realizable value.

2.7 Biological assets

Biological assets comprise Standing crops (crops under development) of sugarcane.

The biological process starts with the preparation of land for planting, seedlings and ends with the harvesting of crops. When harvested, the cane is transferred to inventory at fair value less costs to sell or at cost whichever applicable.

For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation up to the balance sheet date.

2.8 Government grants

Government grants are recognised when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached to them.

Government grants related to property, plant and equipment, including non-monetary grants, are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants of revenue in nature are recognised on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs and are adjusted with the related expenditure. If not related to a specific expenditure, it is considered as income and included under "Other Operating Revenue" or "Other Income".

The benefit of a government loan at a below-market rate of interest or loan with interest subvention and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised on a systematic basis in the statement of profit and loss. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.9 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

2.10 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset class primarily consist of leases for land. At the inception of the contract, Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control 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) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, 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 or low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortised 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.

2.11 Provisions, contingent liabilities and contingent assets

(a) A provision is recognised if, as a result of a past event, Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset. The expense relating to the provision is presented in the statement of profit and loss, net of any reimbursement.

(b) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(c) A contingent asset is not recognised in the standalone financial statements, however, it is disclosed, where an inflow of economic benefits is probable.

(d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12 Dividend payable

The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in Equity.

Note No. : 2 - Significant accounting policies *(contd...)*

2.13 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding on the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

2.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits, are recognised as an expense at the undiscounted amount in the statement of profit and loss in the year in which the related service is rendered.

(b) Defined contribution plans

The Company pays provident and other fund contributions to publicly administered fund as per related Government regulations.

The Company has no further obligation, other than the contributions payable to the respective funds. The Company recognizes contribution payable to such funds as an expense when an employee renders the related service.

(c) Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to "The Balrampur Sugar Company Limited Employees Gratuity Fund" ("the Trust"). Trustees administer contributions made to the Trust and contributions are invested through insurance companies.

The liability or asset recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated by external actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they occur and are included in retained earnings in the statement of changes in equity and in the balance sheet.

(d) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using the projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

Financial assets

(a) Initial recognition and measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate, on initial recognition.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: Unobservable inputs for the asset or liability.

(b) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) At amortised cost,

(ii) At fair value through other comprehensive income (FVTOCI), and

(iii) At fair value through profit or loss (FVTPL).

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are not classified in any of the categories above are fair value through profit or loss.

Equity investments

Equity investments in the scope of "Ind AS 109" are measured at fair value except for investment in associates which are carried at cost.

The Company makes an election to present changes in fair value either through OCI or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. Profit or loss arising on sale thereof is also taken to OCI and the amount accumulated in this respect is transferred within the Equity.

Note No. : 2 - Significant accounting policies *(contd...)*

(c) De-recognition

Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

(a) Initial recognition and measurement

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments, etc.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

(b) Subsequent measurement

For subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities at amortised cost, and

(ii) Derivative instruments at fair value through profit or loss (FVTPL).

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

(c) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Initial recognition and subsequent measurement

A derivative financial instrument, such as foreign exchange forward contracts are used to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Equity share capital

Ordinary shares are classified as equity.

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares and buy-back of equity shares are recognised as a deduction from equity, net of any tax effects.

2.16 Impairment of Assets

(a) Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognised is reversed so that the asset is recognised at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognised.

(b) Financial assets

The Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognizes lifetime expected credit losses for trade receivables.

Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk of the financial asset has significantly increased since initial recognition.

2.17 Taxes

Income tax expense comprises current tax and deferred tax and is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in Equity or other comprehensive income (OCI).

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and Equity are recognised in OCI and Equity respectively.

Management periodically evaluates positions taken in the tax returns to situations in which applicable tax regulations are subject to interpretation and full provisions are made where appropriate based on the amount expected to be paid to the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(b) Deferred income tax

Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the standalone financial statements.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the same will be reversed or sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Note No. : 2 - Significant accounting policies *(contd...)*

(c) Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

2.18 Earnings per Share

(a) Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

(b) Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined at the end of each period presented.

The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected before the approval of the standalone financial statements by the Board of Directors.

2.19 Segment reporting

Operating segments are identified and reported taking into account the different risk and return, organizational structure and internal reporting system to the Chief Operating Decision Maker.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques on hand, balance with banks, and short term liquid investments with an original maturity of three months or less and which carry an insignificant risk of changes in value.

2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note No. : 3 - Use of critical estimates, judgments and assumptions

The preparation of the standalone financial statements in conformity with the measurement principle under Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 3 - Use of critical estimates, judgments and assumptions *(contd...)*

The application of accounting policies that require critical judgments and accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed herein below.

(i) Estimated useful life of property, plant and equipment

Property, plant and equipment 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 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 technical evaluation, technological obsolesces and historical experience with similar assets as well as anticipation of future events, which may impact their lives. This re-assessment may result in a change in depreciation and amortization expense in future periods.

(ii) Current taxes and deferred taxes

Significant judgment is required in the determination of the taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes and option to be exercised for application of reduced rates of taxation on possible cessation of tax deduction and exhaustion of MAT credit entitlement in future years based on estimates of future taxable profits.

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that taxable profit would probably be available against which the losses could be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company reviews the carrying amount of deferred tax assets and liabilities at each balance sheet date with consequential change being given effect to in the year of determination.

(iii) Retirement benefit obligations

The Company's retirement benefit obligations cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at every financial year end.

(iv) Fair value measurements of financial instruments

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets are determined using valuation techniques including the Discounted Cash Flow (DCF) model. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions at regular intervals.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Provisions, contingent liabilities and contingent assets

The timing of recognition and quantification of the provisions, contingent liabilities and contingent assets require the application of judgment to existing facts and circumstances which are subject to change on the actual occurrence or happening. Judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company and possible inflow of resources in respect of the claims made by the Company which has been considered to be contingent in nature. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 4 - Property, plant and equipment and Capital work-in-progress

(₹ in Lacs)

Particulars	Property, plant and equipment													Capital work-in-progress @
	Land (Free hold)	Land (Lease hold)	Land (Right of use)	Buildings	Roads	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical installation and equipment	Pipelines	Total	
Gross block														
Gross carrying amount as at 1st April, 2020	**6648.92**	**-**	**634.93**	**41860.94**	**2369.44**	**129095.12**	**984.83**	**1694.33**	**220.00**	**890.77**	**15185.66**	**11504.01**	**211088.95**	**1239.64**
Additions during the year	5.80	-	182.13	2937.18	267.29	4171.93	243.11	286.16	58.08	176.24	445.64	295.40	9068.96	8232.34
Disposals/deductions during the year	50.05	-	232.39	68.07	-	187.63	14.22	154.25	11.53	28.25	5.68	25.25	777.32	8024.08
Gross carrying amount as at 31st March, 2021	**6604.67**	**-**	**584.67**	**44730.05**	**2636.73**	**133079.42**	**1213.72**	**1826.24**	**266.55**	**1038.76**	**15625.62**	**11774.16**	**219380.59**	**1447.90**
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2020	**-**	**-**	**35.95**	**6463.63**	**1312.70**	**28158.03**	**446.99**	**718.60**	**119.85**	**580.80**	**7162.81**	**3773.92**	**48773.28**	**-**
Depreciation/ amortisation for the year	-	-	24.37	1559.53	174.75	7062.56	104.99	286.55	36.44	124.64	849.03	928.00	11150.86	-
Disposals/deductions during the year	-	-	-	52.14	-	93.86	9.56	122.59	9.66	25.49	5.03	0.62	318.95	-
Accumulated depreciation / amortisation as at 31st March, 2021	**-**	**-**	**60.32**	**7971.02**	**1487.45**	**35126.73**	**542.42**	**882.56**	**146.63**	**679.95**	**8006.81**	**4701.30**	**59605.19**	**-**
Net carrying amount as at 31st March, 2021	**6604.67**	**-**	**524.35**	**36759.03**	**1149.28**	**97952.69**	**671.30**	**943.68**	**119.92**	**358.81**	**7618.81**	**7072.86**	**159775.40**	**1447.90**
Gross block														
Gross carrying amount as at 1st April, 2019	**6543.87**	**402.54**	**-**	**37692.52**	**1608.22**	**111152.89**	**826.83**	**1574.63**	**188.35**	**790.52**	**12115.37**	**8199.65**	**181095.39**	**4582.51**
Additions during the year	105.74	-	634.93	4262.31	761.22	18709.93	193.08	340.16	42.32	118.55	3072.20	3321.36	31561.80	24902.40
Disposals/deductions during the year	0.69	402.54	-	93.89	-	767.70	35.08	220.46	10.67	18.30	1.91	17.00	1568.24	28245.27
Gross carrying amount as at 31st March, 2020	**6648.92**	**-**	**634.93**	**41860.94**	**2369.44**	**129095.12**	**984.83**	**1694.33**	**220.00**	**890.77**	**15185.66**	**11504.01**	**211088.95**	**1239.64**
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2019	**-**	**25.66**	**-**	**5049.84**	**1225.32**	**21837.00**	**376.78**	**588.69**	**92.45**	**452.62**	**6480.09**	**2964.95**	**39093.40**	**-**
Depreciation/ amortisation for the year	-	-	10.29	1430.52	87.38	6504.01	94.33	275.49	34.69	143.09	682.76	811.09	10073.65	-
Disposals/deductions during the year	-	25.66	(25.66)	16.73	-	182.98	24.12	145.58	7.29	14.91	0.04	2.12	393.77	-
Accumulated depreciation / amortisation as at 31st March, 2020	**-**	**-**	**35.95**	**6463.63**	**1312.70**	**28158.03**	**446.99**	**718.60**	**119.85**	**580.80**	**7162.81**	**3773.92**	**48773.28**	**-**
Net carrying amount as at 31st March, 2020	**6648.92**	**-**	**598.98**	**35397.31**	**1056.74**	**100937.09**	**537.84**	**975.73**	**100.15**	**309.97**	**8022.85**	**7730.09**	**162315.67**	**1239.64**

@ Refer Note No. 4A

Footnotes:

a) Depreciation capitalised and transferred to Capital work-in-progress ₹ 1.39 Lacs (Previous year: ₹ 12.18 Lacs) - Refer Note No. 4A.

b) The finance costs on borrowings capitalised during the year amounted to ₹ Nil (Previous year: ₹ 20.47 Lacs) using the capitalisation rate of Nil % (Previous year: 4.43%) per annum which is the effective interest rate on such borrowings.

c) The Company has availed loans from banks and other entities against security of the fixed assets (PPE) as referred in Note No. 18.

d) Disposals/deductions during the previous year include reclassification with respect to Right-of-use ("ROU") asset on implementation of "Ind AS" 116 with corresponding increase of such assets being shown under "Additions during the year" [Refer Note No. 35(13) for other disclosures].

e) Buildings include ₹ 1.66 Lacs (Previous year: ₹ 1.66 Lacs) being cost of 79833 (previous year 79833) equity shares of Fortuna Services Ltd.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 4 A - Capital work-in-progress

(₹ in Lacs)

Particulars		As at 31st March, 2021		As at 31st March, 2020	
Building, plant and equipment , electrical installations etc. in - progress					
Additions during the year			8149.17		24513.80
	(A)		**8149.17**		**24513.80**
Preoperative and trial run expenses					
Additions during the year :					
Cost of materials consumed			-		32.84
Employee benefits expense					
Salaries and wages		-		87.95	
Contribution to provident and other funds		-		7.99	
Staff welfare expense		-	-	1.37	97.31
Finance costs					
Interest [Refer Note No. 4(b)]			-		20.47
Depreciation expense			1.39		12.18
Other expenses					
Consumption of stores					
Other than process chemicals		-		0.09	
Power and fuel		-		25.55	
Insurance		-		1.15	
Rates and taxes (excluding taxes on income)		3.97		9.48	
Professional expenses		75.24		138.97	
Miscellaneous expenses		2.57	81.78	52.04	227.28
	(B)		**83.17**		**390.08**
Income during trial run :					
Inter division transfers					
Power			-		1.48
	(C)		**-**		**1.48**
Total additions during the year	**D= (A+B-C)**		**8232.34**		**24902.40**
Balance brought forward					
Building, plant and equipment , electrical installations etc. in - progress	**(E)**		1239.64		4582.51
	F = (D+E)		**9471.98**		**29484.91**
Capitalised during the year	**(G)**		8024.08		28245.27
Capital work-in-progress at the end of the year	**H= (F-G)**		**1447.90**		**1239.64**

Footnotes:

During the year ended 31st March, 2020, the Company had commissioned on 12th January, 2020, 160 KLPD zero liquid discharge effluent waste distillery at Gularia unit along with 7.56 MW incineration boiler and corresponding cost included under (G) above had been capitalised and transferred to property, plant and equipment.

Note No. : 5 - Intangible assets

(₹ in Lacs)

Particulars	Computer software (Acquired)
Gross block	
Gross carrying amount as at 1st April, 2020	556.10
Additions during the year	32.18
Disposals/deductions during the year	2.79
Gross carrying amount as at 31st March, 2021	**585.49**
Amortisation	
Accumulated amortisation as at 1st April, 2020	467.17
Amortisation for the year	38.16
Disposals/deductions during the year	2.79
Accumulated amortisation as at 31st March, 2021	**502.54**
Net carrying amount as at 31st March, 2021	**82.95**
Gross block	
Gross carrying amount as at 1st April, 2019	540.68
Additions during the year	15.42
Gross carrying amount as at 31st March, 2020	**556.10**
Amortisation	
Accumulated amortisation as at 1st April, 2019	386.92
Amortisation for the year	80.25
Accumulated amortisation as at 31st March, 2020	**467.17**
Net carrying amount as at 31st March, 2020	**88.93**

Note No. : 6 - Investments

(i) Non-current

(₹ in Lacs)

Particulars	Face value	Number of Shares	As at 31st March, 2021	Number of Shares	As at 31st March, 2020
Investment in Equity instruments (Carried at cost)					
Fully paid up :					
Unquoted					
Investment in associates					
Visual Percept Solar Projects Pvt. Ltd. [Refer Note No. 35(15)]	₹10	7852500	1963.13	8914500	2228.63
Auxilo Finserve Pvt. Ltd. [Refer Note No. 35(16)]	₹10	155000000	15750.00	155000000	15750.00
			17713.13		**17978.63**
Aggregate amount of quoted investments			Not applicable		Not applicable
Aggregate market value of quoted investments			Not applicable		Not applicable
Aggregate amount of unquoted investments			17713.13		17978.63
Aggregate amount of impairment in value of investments			Nil		Nil
Aggregate amount of investments carried at cost			17713.13		17978.63

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Company	
			As at 31st March, 2021	As at 31st March, 2020
Visual Percept Solar Projects Pvt. Ltd.	Generation and sale of power	Mumbai, Surendranagar (Gujarat)	45.00%	45.00%
Auxilo Finserve Pvt. Ltd.	Financing activities in education sector in India	Mumbai	45.05%	45.05%

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 6 - Investments *(contd...)*

(ii) Current (₹ in Lacs)

Particulars	Face value	Number of debentures	As at 31st March, 2021	Number of debentures	As at 31st March, 2020
Investment in Debentures (Measured at amortised cost)					
Fully paid up :					
Unquoted					
Investment in associate *					
Visual Percept Solar Projects Pvt. Ltd. #	₹100	-	-	455625	564.58
			-		**564.58**
Aggregate amount of unquoted investment			-		564.58
Aggregate amount of impairment in value of investment			-		Nil
Aggregate amount of investment carried at amortised cost			-		564.58

* Current maturities of non-current investment

Redeemed during the year

Note No. : 7 - Trade receivables *(carried at amortised cost)*

(i) Non-current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade receivables				
Credit impaired		97.63		97.63
Less : Allowance for impaired receivables		97.63		97.63
		-		**-**

(ii) Current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade receivables		24546.35		23928.87
		24546.35		**23928.87**

Note No. : 8 - Other financial assets *(carried at amortised cost)*

(i) Non-current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Security deposits		100.12		92.41
Fixed deposits with banks				
(With more than 12 months maturity)				
For Molasses storage fund (Earmarked)	-		0.97	
With Excise authorities (Pledged)	106.19	106.19	105.17	106.14
Interest accrued but not due on				
Fixed deposits with banks		7.90		5.58
		214.21		**204.13**

Note No. : 8 - Other financial assets *(carried at amortised cost) (contd...)*

(ii) Current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advance to employees		183.84		182.20
Claims receivable*		9357.06		29597.40
Interest accrued but not due on				
Fixed deposits with banks	1.60		2.64	
Other deposits	1.29	2.89	3.25	5.89
Others#		3.81		-
		9547.60		**29785.49**
* Includes claim for subsidy [Refer Note No. 35(8)]				
# Due from an Associate Company		3.32		-

Note No. : 9 - Non-current tax assets (net)

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advance tax		58073.70		48027.66
Less : Provision for taxation		57432.32		47187.39
		641.38		**840.27**

Note No. : 10 - Other non-current assets *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Capital advances		565.36		70.26
Advances other than capital advances				
Other advances				
Advances to suppliers and others				
Considered doubtful	9.31		10.33	
Less: Allowance for bad and doubtful advances	9.31	-	10.33	-
Others				
Prepaid expenses	74.49		93.93	
Duties and taxes paid under protest	238.39	312.88	319.35	413.28
		878.24		**483.54**

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 11 - Inventories

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Raw materials	9425.82		6941.76	
Add : Goods-in-transit	7.19	9433.01	31.12	6972.88
Packing materials		322.40		382.59
Work-in-progress				
Sugar	1770.53		3319.55	
Molasses	284.82	2055.35	342.54	3662.09
Finished goods				
Sugar	201416.00		196201.76	
Industrial alcohol	5015.23		3554.70	
Banked power	163.23		168.78	
Others	61.19		64.78	
	206655.65		199990.02	
Add : Goods-in-transit	449.19	207104.84	2617.06	202607.08
Stores and spares	6344.32		6066.03	
Add : Goods-in-transit	106.88		125.81	
	6451.20		6191.84	
Less: Provision for obsolescence /non-moving stores and spares [Refer Note No. 32]	-	6451.20	100.92	6090.92
Loose tools		0.16		0.16
By-products		12452.04		9759.90
Scrap		26.71		21.51
		237845.71		**229497.13**
Footnotes:				
(i) Carrying amount of inventories pledged as security for borrowings (Refer Note No. 18 for charge created/security terms against borrowings)		231514.28		225053.87
(ii) Refer Note No. 2.6 for mode of valuation				

Note No. : 12 - Biological assets

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Reconciliation of changes in book value of biological assets:				
Opening balance		12.50		17.49
Additions during the year		28.72		25.57
Decrease due to harvested sugarcane transferred to inventory *		35.14		30.56
Closing balance		**6.08**		**12.50**

* Includes sugarcane captively consumed

Note No. : 13 - Cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Balances with banks				
Current accounts		10.07		46.72
Cash on hand		34.60		102.52
		44.67		**149.24**

Note No. : 14 - Bank balances other than cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Earmarked balances				
Fixed deposits for molasses storage fund				
Original maturity period up to 12 months		51.02		98.80
Unpaid dividend accounts		153.94		193.56
Fixed deposits pledged with excise authorities				
Current portion of original maturity period more than 12 months	-		0.02	
Original maturity period up to 12 months	0.16	0.16	-	0.02
Other bank balances *		30.10		23.96
		235.22		**316.34**

* Balances in subsidy accounts and escrow accounts for cane price payment

Note No. : 15 - Other current assets *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advances other than capital advances				
Other advances				
Advances to suppliers and others	942.06		661.10	
Income tax refundable	-		4798.53	
GST, VAT and other taxes / duties	703.66	1645.72	496.10	5955.73
Others				
Prepaid expenses	1540.89		945.42	
Interest accrued on income tax refund	-		455.86	
Miscellaneous	25.37	1566.26	25.38	1426.66
		3211.98		**7382.39**

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 16 - Share capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
(a) Authorised				
Equity shares of ₹ 1/- each	400000000	4000.00	400000000	4000.00
Preference shares of ₹ 100/- each	2500000	2500.00	2500000	2500.00
		6500.00		**6500.00**
(b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1/- each	210000000	2100.00	220000000	2200.00
		2100.00		**2200.00**

Issue of 16910 (Previous year: 16910) equity shares on Right basis has been kept in abeyance in view of pending disputes.

(c) Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
At the beginning of the year	220000000	2200.00	228438327	2284.38
Less: buy-back of shares [Refer Note No. 35(4)]	10000000	100.00	8438327	84.38
At the end of the year	**210000000**	**2100.00**	**220000000**	**2200.00**

(d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Mr. Vivek Saraogi	34339303	16.35	35869184	16.30
Ms. Sumedha Saraogi	22043079	10.50	23027099	10.47
Nippon Life India Trustee Ltd. A/c Nippon India (under various funds)	10607029	5.05	9072027	4.12

(g) The aggregate number of equity shares bought back in immediately preceding last five years ended 31st March, 2021 - 35038327 equity shares (previous period of five years ended 31st March, 2020 - 25038327 equity shares).

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 17 - Other equity

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
A. Reserves and surplus				
(a) Capital reserve				
Balance as per last account		1075.58		1075.58
(b) Securities premium				
Balance as per last account	9819.98		24587.05	
Less : Utilised on buy-back of equity shares [Refer Note No. 35(4)]	9719.98		14682.69	
Less: Transfer to capital redemption reserve on buy-back of equity shares [Refer Note No. 35(4)]	100.00	-	84.38	9819.98
(c) Capital redemption reserve				
Balance as per last account	2904.48		2820.10	
Add: Transfer from securities premium on buy-back of equity shares [Refer Note No. 35(4)]	100.00	3004.48	84.38	2904.48
(d) Storage fund for molasses				
Balance as per last account	87.19		39.85	
Add: Created during the year	55.73		47.34	
Less: Written back during the year	106.83	36.09	-	87.19
(e) General reserve				
Balance as per last account	110000.00		90000.00	
Add: Transfer from Retained earnings	40000.00	150000.00	20000.00	110000.00
(f) Retained earnings				
Balance as per last account	110953.93		87462.92	
Add: Profit for the year	46977.22		50928.18	
Add: Transfer from other comprehensive income	(55.71)		(701.39)	
Less: Transfer to General reserve	40000.00		20000.00	
Less : Utilised on buy-back of equity shares [Refer Note No. 35(4)]	8180.02		-	
Less: Tax on buy-back of equity shares [Refer Note No. 35(4)]	4193.28		-	
Less: Buy-back expenses [net of tax ₹ 44.95 Lacs (Previous year: ₹56.53 Lacs)] [Refer Note No. 35(4)]	83.69		105.24	
	105418.45		117584.47	
Less: Interim dividend paid during the year [Refer Note No. 35(19)(b)]	5250.00		5500.00	
Less: Tax on interim dividend paid during the year [Refer Note No. 35(19)(b)]	-	100168.45	1130.54	110953.93
(A)		**254284.60**		**234841.16**
B. Other comprehensive income				
Balance as per last account	-		-	
Add: Other comprehensive income for the year	(55.71)		(701.39)	
Less: Transfer to Retained earnings	(55.71)	-	(701.39)	-
(B)		**-**		**-**
C = (A + B)		**254284.60**		**234841.16**

Footnotes:

i) Capital reserve comprise of reserve arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court.

ii) Capital redemption reserve is created consequent to redemption of preference shares and buy-back of equity shares. This reserve shall be utilised in accordance with the provisions of the Act.

iii) Securities premium is used to record the premium on issue of shares. The reserve has been utilised in accordance with the provisions of the Act.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 17 - Other equity *(contd...)*

iv) The general reserve represents amount transferred out of the profits of the Company and reserve aggregating to ₹ 4224.23 Lacs (Previous year: ₹ 4224.23 Lacs) arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court. It is not earmarked for any specific purpose.

v) The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974. During the year ended 31st March, 2021, ₹ 106.83 Lacs was utilised from the fund and credited to the Statement of Profit and Loss. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹ 51.02 Lacs (Previous year: ₹ 99.77 Lacs). [Refer Note No.8(i) and Note No.14].

vi) Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.

vii) Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation and gain or loss on non-current equity investments.

Note No. : 18 - Borrowings (carried at amortised cost)

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Term loans				
From banks				
Secured				
Rupee loans:				
ICICI Bank Ltd. (ICICI) (Acting as an agent on behalf of Government of Uttar Pradesh) [Refer Footnote (a)(i) below]	14960.84		21279.87	
ICICI Bank Ltd. (ICICI) [Refer Footnote (a)(ii) below]	3750.00		5000.00	
HDFC Bank Ltd. (HDFC) [Refer Footnote (a)(iii) below]	5516.50	24227.34	7522.50	33802.37
Long term maturities of lease obligation				
Unsecured [Refer Note No. 35(13)]		100.18		223.75
		24327.52		**34026.12**

a) Nature of securities for the aforesaid borrowings including Current maturities of long term debt [Refer Note No.19] and Deferred income [Refer Note No. 20]:

i) Rupee Term Loan from Government of Uttar Pradesh amounting to ₹ 23730.27 Lacs (Previous Year: ₹ 31031.89 Lacs) under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets (PPE), both present and future, pertaining to seven cogeneration units of the Company viz. Balrampur, Babhnan, Haidergarh, Akbarpur, Mankapur, Kumbhi and Gularia.

ii) Rupee Term Loan from ICICI amounting to ₹ 5000.00 Lacs (Previous year: ₹ 5000.00 Lacs) under the Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets (PPE), both present and future, pertaining to Gularia distillery unit of the Company.

iii) Rupee Term Loan from HDFC amounting to ₹ 7522.50 Lacs (Previous year: ₹ 8024.00 Lacs) under the Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets (PPE), both present and future, pertaining to Gularia distillery unit of the Company.

iv) Rupee Term Loan from Government of India, Sugar Development Fund amounting to ₹ Nil (Previous year: ₹ 533.40 Lacs) was secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Rauzagaon. The said amount has been fully repaid during the year.

v) Release of securities in respect of long-term loans fully repaid by the Company is in progress.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 18 (i) - Borrowings *(contd...)*

b) Terms of Repayment:

(₹ in Lacs)

Lender of Loan	Rate of Interest (ROI) (%)	Amount outstanding as at 31st March, 2021		Amount outstanding as at 31st March, 2020		Period of maturity w.r.t. the Balance Sheet date as at 31st March, 2021	Number of installments outstanding as at 31st March, 2021	Amount of each installment (₹ in Lacs)	Details of security offered
		Current (₹ in Lacs) [Refer Note No. 19]	Non-current (₹ in Lacs)	Current (₹ in Lacs) [Refer Note No. 19]	Non-current (₹ in Lacs)				
1 **ICICI Bank Ltd.** (Acting as an agent on behalf of Government of Uttar Pradesh)	5% p.a. (Fixed) *	7301.62	14960.84 ^	7301.63	21279.87	3 years 3 months and 3 days	39 (payable monthly)	608.47	Refer Note No. 18 (i) (a) (i) above
	Sub - Total	**7301.62**	**14960.84**	**7301.63**	**21279.87**				
2 **ICICI Bank Ltd.**	ICICI one year MCLR (Previous year: ICICI one year MCLR + 0.70%)	1250.00	3750.00	-	5000.00	3 years 8 months and 30 days	4 (payable annually)	1250.00	Refer Note No. 18 (i) (a)(ii) above
	Sub - Total	**1250.00**	**3750.00**	**-**	**5000.00**				
3 **HDFC Bank Ltd.**	HDFC one year MCLR (Previous year: HDFC one year MCLR + 0.60%)	2006.00	5516.50	501.50	7522.50	3 years 8 months and 30 days	15 (payable quarterly)	501.50	Refer Note No. 18 (i) (a) (iii) above
	Sub - Total	**2006.00**	**5516.50**	**501.50**	**7522.50**				
4 **Government of India, Sugar Development Fund**	N.A.	-	-	533.40	-	-	-	-	Refer Note No. 18 (i) (a) (iv) above
	Sub - Total	**-**	**-**	**533.40**	**-**				
	Grand Total	**10557.62**	**24227.34**	**8336.53**	**33802.37**				

* Rate of interest has been fixed by the Government of Uttar Pradesh @5% for entire tenure of the loan under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government

^ Excluding ₹ 1467.81 Lacs (Previous year: ₹ 2450.40 Lacs) on account of effective interest rate adjustment being taken to Deferred income.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 18 - Borrowings *(contd...)*

ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
Rupee loans				
State Bank of India (SBI)	48875.02		46889.20	
HDFC Bank Ltd. (HDFC)	31262.68		20000.72	
Kotak Mahindra Bank Ltd. (KOTAK)	8998.57		9255.44	
ICICI Bank Ltd. (ICICI)	-		14723.84	
Bank of Baroda (BOB)	-	89136.27	15000.00	105869.20
		89136.27		**105869.20**

Nature of securities :

a) Working capital loans from banks (viz: SBI, HDFC, KOTAK, ICICI and BOB) are secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with each of them.

b) Working capital loan from SBI is addtionally secured by way of exclusive hypothecation of entire current assets of all the cogeneration units of the Company.

Note No. : 19 - Other financial liabilities *(carried at amortised cost)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Current maturities of long - term debt *		10557.62		8336.53
Current maturities of lease obligation		16.63		16.63
Interest accrued but not due on borrowings		326.06		660.97
Unpaid dividend @		153.94		193.56
Other payables				
Retention monies	1140.94		1615.33	
Security deposits	264.55		1832.06	
Accrued expenses	179.91		188.23	
Accrued salaries and other payroll dues	3352.19		3568.33	
Others	99.90	5037.49	172.12	7376.07
		16091.74		**16583.76**

* Refer Note No. 18(i) (a) and (b) for nature of securities and terms of repayment respectively.

@ There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date.

Note No. : 20 - Deferred income

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Opening balance		2450.40		3640.78
Less: Transferred to the Statement of Profit and Loss		982.59		1190.38
Closing balance		**1467.81**		**2450.40**
Current		750.15		982.59
Non - current		717.66		1467.81

[Refer Note No. 35(8) for other disclosures]

Note No. : 21 - Provisions

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Provision for employee benefits - unavailed leave [Refer Note No. 35(9)]		820.85		672.10
		820.85		**672.10**

(ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Provision for employee benefits [Refer Note No. 35(9)]				
Unavailed leave	493.59		438.83	
Gratuity	41.67	535.26	1584.12	2022.95
Other provisions				
Provision for contingencies [Refer Note No. 35(2)]		0.42		0.42
		535.68		**2023.37**

Note No. : 22 - Deferred tax liabilities (net)

As at 31st March, 2021 (₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in equity	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and Intangible assets	21810.90	1014.77	-	-	22825.67
Investments	38.08	(38.08)	-	-	-
	21848.98	**976.69**	**-**	**-**	**22825.67**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses/unabsorbed depreciation	39.40	28.67	-	-	68.07
Expenses allowable on payment basis	173.14	48.71	-	-	221.85
MAT credit entitlement	19222.09	(1474.48)	44.95	14.96	17807.52
	19434.63	**(1397.10)**	**44.95**	**14.96**	**18097.44**
Net deferred tax liabilities / expense	**2414.35**	**2373.79**	**(44.95)**	**(14.96)**	**4728.23**

As at 31st March, 2020 (₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in equity	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and Intangible assets	27481.87	(5670.97)	-	-	21810.90
Investments	135.64	(97.56)	-	-	38.08
	27617.51	**(5768.53)**	**-**	**-**	**21848.98**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses/unabsorbed depreciation	231.81	(192.41)	-	-	39.40
Expenses allowable on payment basis	337.83	(164.69)	-	-	173.14
VRS expenses	28.65	(28.65)	-	-	-
MAT credit entitlement	19187.71	(237.12)	56.53	214.97	19222.09
	19786.00	**(622.87)**	**56.53**	**214.97**	**19434.63**
Net deferred tax liabilities / expense	**7831.51**	**(5145.66)**	**(56.53)**	**(214.97)**	**2414.35**

The ultimate realisation of deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income. Deferred tax assets including MAT credit entitlement is recognised on management's assessment of reasonable certainty for reversal/utilisation thereof against future taxable income.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 22 - Deferred tax liabilities (net) *(contd...)*

According to the provisions of section 115BAA of the Income Tax Act 1961, as announced by the Taxation Laws (Amendment) Ordinance 2019 and promulgated as the Taxation Laws (Amendment) Act, 2019 enacted on 11th December 2019 with effect from 1st April 2019, domestic companies have an option to pay income tax at 22% plus applicable surcharge and cess ("the concessional rate") by foregoing certain exemptions/ deductions ('the new tax regime') as specified in the said section.

Accordingly, during the previous year ended 31st March, 2020, deferred tax liabilities (net) was re-measured and the Company recognised deferred tax income amounting to ₹ 7522.77 Lacs on account of the re- measurement of deferred tax liabilities that were expected to be reversed consequent to adoption of lower tax rate post switchover to the new tax regime.

Based on the assessment of the possible impact of the new tax regime, the Company has decided to continue with existing normal tax structure till certain deductions are available and accumulated Minimum Alternate Tax (MAT) credit is substantially exhausted and thereafter, to opt for the concessional rate under new tax regime as stated above.

Note No. : 23 - Trade and other payables

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade payables				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 35(5)]		128.75		203.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		59174.93		66790.75
		59303.68		**66994.50**
Other payables				
Payable to suppliers of capital goods				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 35(5)]		26.46		8.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		314.48		792.01
		340.94		**800.68**
		59644.62		**67795.18**

Note No. : 24 - Other current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Other advances				
Advances from customers		295.06		3216.45
Others				
Statutory liabilities	1909.32		2371.49	
Others *	849.12	2758.44	323.77	2695.26
		3053.50		**5911.71**

* Includes interest accrued relating to micro enterprises and small enterprises [Refer Note No. 35(5)]

Note No. : 25 - Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Sale of goods				
Domestic sales				
Sugar	362522.05		365701.47	
Industrial alcohol	81999.38		54530.76	
Power	13523.73		16160.76	
Bagasse	5585.46		7270.67	
Others	3620.38	467251.00	2594.85	446258.51
Other operating revenue				
Government grants [Refer Note No. 35(8)]				
Insurance and storage charges on buffer stock	216.25		555.70	
Export incentive and assistance	13698.45		27225.08	
Re-imbursement of transportation expenses for export	-	13914.70	90.11	27870.89
		481165.70		**474129.40**

[Refer Note No. 35(11) for other disclosures]

Note No. : 26 - Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Interest income on financial assets carried at amortised cost				
Non-current investments				
Debentures	19.46		284.93	
National saving certificates	-		0.37	
	19.46		285.30	
Deposit with banks and others	14.73	34.19	15.34	300.64
Interest income on income tax refund		-		455.86
Gain on sale of highly liquid investments (treated as cash equivalent)		630.42		836.60
Gain on buy-back of equity shares of an associate [Refer Note No. 35(15)]		754.02		-
Other non-operating income				
Net gain on foreign currency transactions and translations	-		1.92	
Insurance claims	419.80		237.11	
Liabilities no longer required written back	321.22		713.73	
Profit on sale/discard of property, plant and equipment (net)	83.57		476.28	
Recovery towards written off balances	0.07		4.84	
Provision for doubtful advances written back	1.02		6.00	
Storage fund for molasses written back [Refer Note No. 17 (v)]	106.83		-	
Miscellaneous	993.67	1926.18	821.69	2261.57
		3344.81		**3854.67**

Note No. : 27 - Cost of materials consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Sugarcane *		351537.66		344149.85
Others #		(351.52)		2265.96
		351186.14		**346415.81**

* Refer Note No. 35(8) (a) (i) for adjustments of government grants

Includes differential impact of opening and closing inventories of raw materials

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 28 - Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Finished goods				
Opening stock				
Sugar	198648.63		209249.90	
Industrial alcohol	3716.67		549.68	
Banked power	168.78		81.29	
Others	73.00	202607.08	6.34	209887.21
Less : Closing stock				
Sugar	201416.00		198648.63	
Industrial alcohol	5464.42		3716.67	
Banked power	163.23		168.78	
Others	61.18	207104.83	73.00	202607.08
Less: Power used during the trial run of capital projects		-		12.93
(Increase)/Decrease (A)		**(4497.75)**		**7267.20**
By-products				
Opening stock		9759.90		5895.37
Less : Closing stock		12452.04		9759.90
Less: Bagasse used during the trial run of capital projects		-		32.84
(Increase) (B)		**(2692.14)**		**(3897.37)**
Work- in-progress				
Opening stock				
Sugar	3319.55		3707.98	
Molasses	342.54	3662.09	317.82	4025.80
Less : Closing stock				
Sugar	1770.53		3319.55	
Molasses	284.82	2055.35	342.54	3662.09
Decrease (C)		**1606.74**		**363.71**
(Increase)/Decrease D = (A + B + C)		**(5583.15)**		**3733.54**

Note No. : 29 - Employee benefits expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Salaries and wages		25065.66		22547.21
Contribution to provident, gratuity and other funds		2850.53		2456.45
Staff welfare expense		260.14		399.90
		28176.33		25403.56
Less: Recovery towards deputation of employee [Refer Note No. 35(10)]		11.34		3.95
		28164.99		**25399.61**

Note No. : 30 - Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Interest				
On long term borrowings [Refer Note No. 35(8)]	1906.20		1874.94	
On short term borrowings [Refer Note No. 35(8)]	1949.39		4452.22	
Others *	34.46	3890.05	52.74	6379.90
Other borrowing costs		39.54		37.12
		3929.59		**6417.02**
* Includes interest on statutory dues		0.81		4.33
* Includes interest on shortfall in payment of advance income-tax		17.17		21.94

Note No. : 31 - Depreciation and amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Depreciation and amortisation of property, plant and equipment [Refer Note No. 4]		11149.48		10061.48
Amortisation of intangible assets [Refer Note No. 5]		38.16		80.25
		11187.64		**10141.73**

Note No. : 32 - Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Consumption of stores				
Process chemicals	3656.00		2884.53	
Others	263.78	3919.78	258.28	3142.81
Packing materials		3886.64		3729.91
Power and fuel		235.98		404.05
Rent		70.09		68.64
Repairs				
Buildings	711.39		320.36	
Machinery	6994.33		6660.77	
Others	218.75	7924.47	187.67	7168.80
Insurance		1080.43		775.21
Rates and taxes (excluding taxes on income)		569.16		508.17
Commission to non-executive directors		96.80		92.20
Directors' fees		25.40		25.80
Payments to auditors				
For statutory audit	52.50		45.00	
For other services (Limited reviews and certifications)	21.00		21.00	
For reimbursement of expenses	1.90	75.40	-	66.00
Cost audit fees		4.00		3.50
Professional expenses #		5423.86		606.75
Freight and handling expenses		5646.68		6100.01
Brokerage and commission		568.12		587.25
Charity and donation		55.51		20.36
Corporate social responsibility expense [Refer Note No. 35(6)]		1067.55		1092.89
Miscellaneous expenses		5234.89		5477.03
Claims receivable written off		-		262.94
Sundry debit balances/advances written off		36.33		196.59
Payment towards balances earlier written back		0.91		3.70
Transfer to storage fund for molasses		55.73		47.34
Obsolete stores and spares written off	137.59		-	
Less: Provision for obsolescence /non-moving stores and spares written back	100.92	36.67	-	-
Provision for obsolescence /non-moving stores and spares		-		3.56
		36014.40		**30383.51**
# Includes expenses incurred towards export under MAEQ		4930.55		153.41

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 33 - Tax expense

(₹ in Lacs)

Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
Current tax		10259.89	9710.33
Deferred tax [Refer Note No. 22]		2373.79	(5145.66)
		12633.68	**4564.67**
Reconciliation of Tax Expense			
Profit before tax		59610.90	55492.85
Applicable tax rate (using the Company's tax rate)		34.944%	34.944%
Computed tax expense	**(A)**	**20830.43**	**19391.42**
Adjustments for:			
Income exempt for tax purpose		(263.48)	-
Expenses not allowed for tax purpose		176.12	270.16
Effect of tax deductions		(6988.80)	(5940.48)
Changes in recognised deductible temporary differences		60.56	(7460.30)
Effect of transition adjustment under MAT		(24.53)	(24.53)
MAT credit entitlement		(1156.62)	(1671.60)
Net adjustments	**(B)**	**(8196.75)**	**(14826.75)**
Tax Expense	**C=(A+B)**	**12633.68**	**4564.67**

Note No. : 34 - Other comprehensive income

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Items that will not be reclassified to profit or loss		
Re-measurement of defined benefit plan	(85.63)	(1170.37)
Equity Instruments through Other comprehensive income	-	60.00
	(85.63)	(1110.37)
Less: Income tax relating to items that will not be reclassified to profit or loss	29.92	408.98
	(55.71)	**(701.39)**

Note No. : 35 - Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities :

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Claims against the Company not acknowledged as debts :		
	- Sales tax demand- under appeal	10.23	10.23
	- Others - under appeal/litigation	233.94	235.71
		244.17	**245.94**
(ii)	Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is subjudice	Amount not ascertainable	Amount not ascertainable

Also refer Note No. 35(3) (b) for availment of remission of taxes and levies pending final decision at the Hon'ble Supreme Court on the matter.

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals/litigations.

(b) Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1901.37	984.86
(ii)	Advance paid against above	565.36	70.26

2. Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent liabilities and Contingent assets :

(a) Provision for contingencies

(i) Provisions for contingencies represent provision towards various claims made/anticipated in respect of litigation claims against the Company based on the Management's assessment.

(ii) **Movement in Provision for contingencies:**

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
As per last account	0.42	0.42
	0.42	**0.42**
- Current	0.42	0.42
- Non-current	-	-

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals. The Company does not expect any reimbursement in respect of above provisions.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

(b) Contingent assets

During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances. Also refer Note No. 35(3)(a) in this respect.

3. a) The Hon'ble High Court at Allahabad, Lucknow Bench, vide its order dated 12th February, 2019 ("Order") had quashed the G.O. dated 4th June, 2007, vide which the Sugar Industry Promotion Policy 2004 ("SIPP") was withdrawn, and held that the petitioner companies were entitled to all the benefits for the entire period of the validity of SIPP. Consequent to this, the Company in respect of its capital projects and expansions during the period from 2004 to 2008 is entitled to the capital subsidy, reimbursement of certain expenses, remission of certain taxes and levies under the provision of the said policy.

The State Government of Uttar Pradesh and others have filed Special Leave Petitions challenging the said Order before the Hon'ble Supreme Court of India and the cases are pending for hearing as on 31st March, 2021. Pending this, the Company's claim for reimbursement of ₹ 33654.94 Lacs and capital subsidy of ₹ 13137.77 Lacs pursuant to SIPP being contingent in nature, has not been recognised.

(b) In terms of SIPP, the Company availed remission of taxes and levies, namely, Entry Tax on Sugar, Trade Tax on Molasses and Cane Purchase Tax, Stamp duty and registration charges on purchase of land aggregating to ₹ 11278.45 Lacs in earlier years. These remissions were availed pursuant to protection earlier provided by the Hon'ble High Court at Allahabad, which has been confirmed pursuant to the Order of the said court as given in Note No. 35(3)(a) above.

In the assessment of Entry Tax on Sugar and Trade Tax on Molasses relating to four sugar units, namely, Akbarpur, Mankapur, Kumbhi and Gularia aggregating to ₹ 6300.63 Lacs (including ₹ 26.62 Lacs pertaining to the year 2017-18, from April 2017 to June 2017, determined during the year ended 31st March, 2020) has been assessed, though these units are also eligible for the remission under the SIPP. However, no demand has been raised and pursued against the Company in view of the protection by the Hon'ble High Court as aforesaid. Since these units are eligible for incentive under SIPP and no demand has yet been raised against the Company, the aforesaid amount of ₹ 6300.63 Lacs has not been considered as contingent liability.

(c) Uttar Pradesh Electricity Regulatory Commission vide notification dated 25th July, 2019 reduced the power purchase rates of bagasse-based power plants w.e.f. 1st April, 2019 and revenue in this respect has accordingly been recognised at such reduced rates. The Uttar Pradesh Cogen Association has filed a writ petition, challenging the reduction in power rates before Hon'ble High Court at Allahabad which has been admitted. Hearing for the same is scheduled for 14th July 2021.

4. During the year ended 31st March, 2021, the Company had undertaken a Buy-back of 10000000 equity shares of the Company, through the "Tender Offer" route using the Stock Exchange Mechanism, for an aggregate amount of ₹ 18000.00 Lacs (being 7.87% of the total paid-up equity share capital and free reserves of the Company as on 31st March, 2020), at a price of ₹ 180/- per equity share on a proportionate basis in accordance with the provisions contained in the Companies Act, 2013 (as amended), rules made thereunder, the SEBI (Buy-back of Securities) Regulations, 2018 and other applicable circulars, clarifications and notifications and the settlement in respect of share bought back have been completed on 05th August, 2020. Formalities pertaining to extinguishment of the shares bought back were completed on 12th August, 2020.

Consequent to the said buy-back, the equity share capital has been reduced by ₹ 100.00 Lacs and an amount equivalent to the face value of equity shares bought back has been transferred from Securities premium to Capital redemption reserve. Differential amount of ₹ 17900.00 Lacs with respect to aggregate consideration in excess of face value of the equity shares bought back has been adjusted to the extent of ₹ 9719.98 Lacs from Securities premium and balance of ₹ 8180.02 Lacs from Retained earnings. Further, various costs aggregating to ₹ 83.69 Lacs (net of tax of ₹ 44.95 Lacs) incurred for the same and the taxation on buy-back amounting to ₹ 4193.28 Lacs have also been adjusted from Retained earnings.

Note No. : 35 - Other disclosures *(contd...)*

5. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

As at 31st March, 2021: (₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	128.75	26.46	155.21
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.48	-	0.48
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	4.97	0.03	5.00
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.53	-	1.53
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year #	2.01	-	2.01
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 23.

Included in the line item "Others" under Note No. 24.

As at 31st March, 2020: (₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	203.75	8.67	212.42
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-	-
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	1.97	1.30	3.27
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	4.97	0.03	5.00
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year #	4.97	0.03	5.00
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 23.

Included in the line item "Others" under Note No. 24.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

6. Expenditure on Corporate Social Responsibility (CSR) activities :

(a) Details of CSR expenditure:

(₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Gross amount required to be spent by the Company during the year	965.94	1092.67
(ii)	Amount approved by the Board to be spent during the year	1078.00	1092.75
(iii)	Amount spent during the year :		
	a) Construction/acquisition of any asset		
	- in cash	36.89	-
	- yet to be paid in cash	-	-
	b) On purposes other than (a) above		
	- in cash	1030.66	1092.89
	- yet to be paid in cash	-	-

(b) CSR expenditure under various heads

The CSR activities of the Company are focused on sustainable livelihood, education including skill development for women empowerment; healthcare, sanitation and safe drinking water; rural development; environment sustainability and disaster management. In line with CSR commitment, the Company spent ₹ 1067.55 Lacs (Previous Year: ₹ 1092.89 Lacs) towards its CSR interventions.

For further disclosures on CSR, Refer "Annexure IV - The Annual Report on CSR Activities for Financial Year ended 31st March, 2021" forming part of Report of the Board of Directors for the year ended 31st March, 2021.

(c) Details of Excess amount spent

(₹ in Lacs)

Particulars	Amount
Balance as at 1st April, 2020	-
Amount required to be spent during the year	965.94
Amount spent during the year	1067.55
Excess balance as at 31st March, 2021	**101.61**
- To be carried forward for next year	101.61
- Not to be carried forward for next year	-

Since, the disclosure requirement is applicable from year ended 31st March 2021, therefore, comparative figures for previous year ended 31st March, 2020 not applicable, hence, not disclosed.

7. Earnings per share - The numerators and denominators used to calculate Basic and Diluted earnings per share

Sl. No.	Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Amount used as the numerator			
	Profit after Tax (₹ in Lacs)	(A)	46977.22	50928.18
(ii)	Weighted average number of equity shares outstanding used as the denominator for computing Basic and Diluted Earnings per share *	(B)	213452055	221613887
(iii)	Face value of equity shares (₹)		1.00	1.00
(iv)	Basic and Diluted Earnings per share (₹)	(A/B)	22.01	22.98

* The Company does not have any dilutive potential equity shares.

Note No. : 35 - Other disclosures *(contd...)*

8. The Company is eligible to receive various financial assistance from government authorities. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	Year ended 31st March, 2021	Year ended 31st March, 2020
	Grants related to Income			
(a)	**Revenue related Government Grants:**			
(i)	Cane crush subsidy (Refer footnote (i) below)	Deducted from cost of materials consumed	-	1901.33
(ii)	Defraying expenditure towards internal transport, freight, handling and other charges on export (Refer footnote (ii) below)	(i) Deducted from Miscellaneous expenses under Other expenses	-	1.77
		(ii) Stated as "Re-imbursement of transportation expenses for export" under Revenue from operations	-	90.11
(iii)	Towards marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar (Refer footnote (iii) and (iv) below)	Included under "Export incentive and assistance" under Revenue from operations	13677.20	27225.08
(iv)	Financial support for maintaining buffer stock of sugar inventory (Refer footnote (v) below)	(i) Deducted from interest expense on short term borrowings	1262.17	3197.75
		(ii) Stated as "Insurance and storage charges on buffer stock" under Revenue from operations	216.25	555.70
(v)	Interest on term loans (Refer footnote (vi) below)	(i) Deducted from interest expense on long term borrowings	540.27	125.98
		(ii) Interest expense on long term borrowings capitalised	-	20.47
	(Refer footnote (vii) below)	(iii) Deducted from interest expense on short term borrowings	-	2683.67
(vi)	Duty drawback against export of sugar	Included under "Export incentive and assistance" under Revenue from operations	21.25	-
(vii)	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme (Refer footnote (viii) below)	Deducted from "Contribution to provident, gratuity and other funds" under Employee benefits expense	5.39	24.93
			15722.53	**35826.79**
(b)	**Amortisation of Government Grants:**			
	Government grant relating to interest on term loans (Refer footnote (ix) below)	Deducted from interest expense on long term borrowings	982.59	1190.38
			982.59	**1190.38**
			16705.12	**37017.17**

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : - 35 Other disclosures *(contd...)*

Footnotes:

(i) Notification No. 1(14)/2018-S.P.I dated 5th October, 2018 was issued by the Central Government for the financial assistance to sugar mills @ ₹ 13.88 per quintal of sugarcane crushed during sugar season 2018-19. Pursuant to the same, ₹ 1901.33 Lacs was adjusted against "cost of material consumed" for the year ended 31st March 2020.

(ii) Notification No. 1(14)/2018-S.P.-I dated 5th October, 2018 was issued by the Central Government for defraying expenditure towards internal transport, freight, handling and other charges on export with a view to facilitate export of sugar during sugar season 2018-19. Based on actual expenditure incurred by the Company on physical exports, a sum of ₹ 1.77 Lacs had been deducted from Miscellaneous expenses under Other expenses for the year ended 31st March 2020. Further, for the year ended 31st March 2020, a sum of ₹ 90.11 Lacs has been shown as "Re-imbursement of transportation expenses for export" under Revenue from operations.

(iii) Notification No. 1(14)/2019-S.P.-I dated 16th September, 2019 was issued by the Central Government for allocation of factory wise Maximum Admissible Export Quantity (MAEQ) for export of sugar for the sugar season 2019-20. The Company was allocated MAEQ quota of 229225 MT. Subsequently, vide Notification No. 1(14)/2019-S.P.-I dated 18th February 2020, pursuant to re-allocation of MAEQ quota of non-performing mills , the Company was allocated additional MAEQ quota of 85115 MT.

By way of exports through merchant exporter, the Company has physically moved 53763 MT and 260577 MT of raw /white sugar for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Notification No. 1(14)/2019-S.P.-I dated 12th September, 2019 was issued by the Central Government for providing assistance to sugar mills @ ₹ 10448.00 per MT for export of sugar covering expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar. Accordingly, ₹ 5617.16 Lacs and ₹ 27225.08 Lacs have been clubbed with "Export Incentive and assistance" under Revenue from operations, for the year ended 31st March, 2021 and 31st March, 2020 respectively.

(iv) Notification No. 1(14)/2019-S.P.-I dated 31st December 2020 was issued by the Central Government for allocation of factory wise Maximum Admissible Export Quantity (MAEQ) for export of sugar for the sugar season 2020-21. The Company was allocated MAEQ quota of 251604 MT.

Notification No. 1(6)/2020-S.P.-I dated 29th December, 2020 was issued by the Central Government for providing assistance to sugar mills @ ₹ 6000.00 per MT on export of sugar towards expenses on marketing costs including handling, upgrading and other processing costs, costs of international and internal transport and freight charges on export of sugar.

The Company has entered into tripartite agreements with merchant exporters and source mills, where merchant exporters have procured sugar from the source mill for export under the entitlement held by the Company.

The expenses incurred by the Company against it amounting to ₹ 4930.55 Lacs has been clubbed with "Professional expenses" under "Other expenses".

Further, the Company has also physically moved for export 1967.30 MT of raw sugar by way of exports through merchant exporter. The total of export entitlement utilised and physical export done by the Company till 31st March 2021 aggregates to 134334 MT.

Financial assistance receivable from the Central Government against such exports, have been clubbed with "Export incentive and assistance" under Revenue from operations, amounting to ₹ 8060.04 Lacs.

(v) Notification No. 1(6)/2018-S.P.-I dated 15th June, 2018 was issued by the Central Government for Creation and Maintenance of Buffer Stock of 30 Lacs MT of sugar by the sugar mills in the country for one year w.e.f. 1st July, 2018 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilise domestic sugar price. The Company was allocated 111045 MT of buffer stock.

Similarly, Notification No. 1(8)/2019-S.P.-I dated 31st July, 2019 was issued by the Central Government for Creation and Maintenance of Buffer Stock of 40 Lacs MT of sugar by the sugar mills in the country for one year w.e.f. 1st August, 2019 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilise domestic sugar price. The Company was allocated 140801 MT of buffer stock.

Note No. : 35 - Other disclosures *(contd...)*

Accordingly, ₹ 1262.17 Lacs and ₹ 3197.75 Lacs has been adjusted against "Interest on short term borrowings" under Finance costs for the year ended 31st March, 2021 and 31st March, 2020, respectively.

Further, for the year ended 31st March, 2021 and 31st March, 2020, storage charges of ₹ 216.25 Lacs and ₹ 555.70 Lacs respectively, are shown under line item "Insurance and storage charges on buffer stock" under Revenue from operations.

(vi) Notification No. S.O. 3523 (E) dated 19th July, 2018 was issued by the Central Government for 'extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity' with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers for which interest subvention @ 6% or 50% of rate of interest charged by banks (whichever is lower) would be borne by the Central Government for a tenure of 5 years from the date of disbursement of the loan.

Under the said scheme, HDFC and ICICI disbursed Rupee Loan aggregating to ₹ 8024.00 Lacs and ₹ 5000.00 Lacs respectively, during the year ended 31st March, 2020 which has been utilised for setting up of 160 KLPD distillery at Gularia unit.

Accordingly, for the year ended 31st March, 2021 and 31st March, 2020, an amount of ₹ 540.27 Lacs and ₹ 125.98 Lacs respectively was adjusted with interest on long term borrowings charged to Statement of Profit and Loss.

Further, for the year ended 31st March, 2020, a sum of ₹ 20.47 Lacs was adjusted against interest on long term borrowings capitalised.

(vii) Notification No. 1(4)/2019-S.P.-I dated 2nd March, 2019 issued by the Central Government for extending soft loan to sugar mills with a view to facilitate payment of cane price dues of farmers for the Sugar Season 2018-19 relating to the Fair and Remunerative (FRP) of sugarcane fixed by the Central Government for which interest subvention @ 7% would be borne by the Central Government for a tenure of one year from the date of disbursement of the loan.

Under the said scheme, during the year ended 31st March 2019, HDFC disbursed Rupee Loan aggregating to ₹ 38762.94 Lacs which was utilised for clearance of sugarcane price for sugar season 2018-19 as per the scheme. Accordingly, ₹ 2683.67 Lacs has been adjusted with interest on short term borrowings for the year ended 31st March, 2020.

(viii) The Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme has been designed to incentivise employers for generation of new employment, where Government of India pays the 8.33% Employee Pension Scheme contribution of the employer for the new employment. Accordingly ₹ 5.39 Lacs and ₹ 24.93 Lacs have been deducted from "Contribution to provident, gratuity and other funds" under Employee benefits expense, for the year ended 31st March, 2021 and 31st March, 2020 respectively.

(ix) The Government of Uttar Pradesh vide its Order No. - 12/2018/1698 / 46-3-18-3 (36-A) / 2018 dated 28th September, 2018 notified a scheme for assistance to sugar mills under the Scheme for Extending Financial Assistance to Sugar Undertakings - 2018 of Uttar Pradesh Government, for the purpose of clearance of sugarcane price for sugar season 2016-17 and 2017-18 as per the State Advised Price of sugarcane fixed by the State Government.

Under the said scheme, during the year ended 31st March 2019, the State Government extended Rupee term loan to the Company through ICICI @ 5% p.a. interest for a period of 5 years aggregating to ₹ 36508.11 Lacs which was utilised for clearance of sugarcane price for sugar season 2017-18 as per the scheme.

Pursuant to the requirements of Ind AS 20 – "Accounting for Government Grants and Disclosure of Government Assistance" and Ind AS 109 – "Financial Instruments", ₹ 4051.19 Lacs was accounted for during the year ended 31st March, 2019 and included under Note No. 20 - "Deferred income".

Accordingly, proportionate income amounting to ₹ 982.59 Lacs and ₹ 1190.38 Lacs has been adjusted with interest on long term borrowings for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

9. Employee Benefits :

As per Ind AS - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Standalone Statement of Profit and Loss are as under :

(₹ in Lacs)

Defined Contribution Plan	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	1282.83	1098.49
Employer's Contribution to Pension Scheme	773.32	745.34

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of continuance service is entitled to the same. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits depends on the member's length of service and salary at the time of cessation of the employment contract with the Company. The fund is in the form of a trust and is governed by the Board of Trustees who are responsible for its administration.

The Company contributes ascertained liabilities towards gratuity to trust.

The following tables summarises the components of net benefit expense recognised in the Standalone Statement of Profit and Loss, the funded status and amounts recognised in the Standalone Balance Sheet for the said plan:

(a) Details of funded post retirement plans are as follows : (₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	**Expenses recognised in the Standalone Statement of Profit and Loss:**		
1	Current service cost	636.54	512.32
2	Net interest on the net defined benefit liability/asset	29.50	1.43
3	Expense recognised in the Standalone Statement of Profit and Loss	666.04	513.75
II.	**Standalone Other comprehensive income:**		
1	Actuarial (gain) / loss arising from:		
	- change in financial assumptions	396.84	551.20
	- changes in experience adjustments	310.39	322.23
2	(Returns)/loss on plan assets	(621.60)	296.94
3	Components of defined benefit costs recognised in Standalone Other comprehensive income	85.63	1170.37
III.	**Change in present value of defined benefit obligation:**		
1	Present value of defined benefit obligation at the beginning of the year	7437.56	6106.16
2	Interest expense	487.63	445.10
3	Current service cost	636.54	512.32
4	Benefits paid	426.79	499.45
5	Actuarial (gain) / loss arising from:		
	- changes in financial assumptions	396.84	551.20
	- changes in experience adjustments	310.39	322.23
6	Present value of defined benefit obligation at the end of the year	8842.17	7437.56

Note No. : 35 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

(₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
IV.	**Change in fair value of plan assets during the year :**		
1	Plan assets at the beginning of the year	5853.44	5968.75
2	Interest income	458.13	443.67
3	Employers' contributions	2294.12	237.41
4	Benefits paid	426.79	499.45
5	Re-measurement (Returns on plan assets excluding amounts included in interest income)	(621.60)	296.94
6	Fair value of plan assets at the end of the year	8800.50	5853.44
V.	**Net Asset / (Liability) recognised in the Standalone Balance Sheet as at the year end:**		
1	Present value of defined benefit obligation	8842.17	7437.56
2	Fair value of plan assets	8800.50	5853.44
3	Funded status [Surplus/(Deficit)]	(41.67)	(1584.12)
4	Net Asset / (Liability) recognised in Standalone Balance Sheet	(41.67)	(1584.12)
	- Current	(41.67)	(1584.12)
	- Non-Current	-	-
VI.	**Actuarial assumptions :**		
1	Discount rate (per annum) (in %)	6.50%	6.75%
2	Expected return on plan assets (per annum) (in %)	6.50%	6.75%
3	Expected rate of salary increase (in %)	6.25%	6.00%
4	Retirement/Superannuation age (in Year)	60	60
5	Mortality rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
VII.	**Major category of plan assets as a % of the total plan assets as at the year end:**		
1	Administered by Insurance Companies (in %)	99.95%	99.93%
2	Others (Cash and cash equivalents) (in %)	0.05%	0.07%
VIII.	**Maturity Profile of defined benefit obligation:**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	334.80	336.65
	Between 2 and 5 years	2348.22	1915.66
	Between 5 and 10 years	6734.40	5605.69
	Total expected payments	**9417.42**	**7858.00**
	Average duration of the defined benefit plan obligation (in years)	10	10
IX.	**Sensitivity analysis on present value of defined benefit obligations:**		
	Discount rates		
	1.00% Increase	(763.88)	(641.87)
	1.00% Decrease	882.35	740.47
	Expected rates of salary increases		
	1.00% Increase	875.97	738.81
	1.00% Decrease	(772.51)	(651.98)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

X. The history of funded post retirement plans are as follows :

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present value of defined benefit obligation	8842.17	7437.56	6106.16	4912.87	4135.70
Fair value of plan assets	8800.50	5853.44	5968.75	4912.87	4135.70

(b) Details of unfunded other long term benefit are as follows:

(₹ in Lacs)

Sl. No.	Particulars	Leave Encashment (Unfunded)	
		Year ended 31st March, 2021	Year ended 31st March, 2020
I.	**Components of employer expense :**		
1	Current service cost	57.62	41.46
2	Interest cost	43.63	38.58
3	Actuarial (gain) /loss recognised in the year	148.62	153.72
4	Expense recognised in the Standalone Statement of Profit and Loss	249.87	233.76
II.	**Change in present value of obligation :**		
1	Present value of obligation at the beginning of the year	696.66	552.48
2	Interest cost	43.63	38.58
3	Current service cost	57.62	41.46
4	Benefits paid	100.66	89.58
5	Actuarial (gain) /loss recognised in the year	148.62	153.72
6	Present value of obligation at the end of the year	845.87	696.66
III.	**Net Asset / (Liability) recognised in the Standalone Balance Sheet as at the year end:**		
1	Present value of defined benefit obligation	845.87	696.66
2	Fair value of plan assets	-	-
3	Funded status [Surplus/(Deficit)]	(845.87)	(696.66)
4	Net Asset / (Liability) recognised in Standalone Balance Sheet *	(845.87)	(696.66)
IV.	**Actuarial Assumptions :**		
1	Discount rate (per annum) %	6.50%	6.75%
2	Expected rate of salary increase %	6.25%	6.00%
3	Retirement/Superannuation age (Year)	60	60
4	Mortality rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
V.	**Maturity Profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	25.81	25.37
	Between 2 and 5 years	162.41	133.64
	Between 5 and 10 years	471.63	393.64
	Total expected payments	**659.85**	**552.65**

* excludes leave liability towards leave days above the maximum accumulation limit encashable once a year.

Note No. : 35 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

(c) Risks related to defined benefit plans:

The main risks to which the Company is exposed in relation to operating defined benefit plans are :

(i) Mortality risk:

The assumptions adopted by the Company is to make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.

(ii) Market and liquidity risks:

These are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimise the risks, the structure of the portfolios is reviewed and asset-liability matching analysis are performed on a regular basis.

(d) Asset - liability management and funding arrangements

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

(e) Other disclosures :

The Gratuity and Provident Fund expenses have been recognised under " Contribution to provident, gratuity and other funds" and Leave encashment clubbed with "Salaries and wages" under Note No. 29 - Employee benefits expense.

10. Related party disclosures :

Information under Ind AS 24- Related party disclosures are as follows:

(a) Name of the related parties and description of relationship with whom transactions have taken place :-

(i)	**Associate Companies :** (Significant influence can be exercised)	1. Visual Percept Solar Projects Pvt. Ltd. (VPSPPL)
		2. Auxilo Finserve Pvt. Ltd. (AFPL)

(ii)	**Key Management Personnel (KMP):**	1. Mr. Vivek Saraogi - Managing Director
		2. Dr. Arvind Krishna Saxena - Whole-time Director
		3. Mr. Sumit Mazumder - Independent Director
		4. Mr. Dinesh Kumar Mittal - Independent Director
		5. Mr. Krishnava Dutt - Independent Director
		6. Ms. Veena Hingarh - Independent Director (w.e.f. 31st August, 2019)
		7. Ms. Mamta Binani - Independent Director - (w.e.f. 5th November, 2020)
		8. Mr. Naresh Dayal - Non-Executive Non-Independent Director
		9. Mr. Shakti Prasad Ghosh - Independent Director (Upto 30th September, 2020)
		10. Late R. N. Das - Independent Director (deceased on 3rd December, 2019)
		11. Ms. Novel S Lavasa - Independent Director (upto 31st May, 2019)

(iii)	**Other related parties:**	
	a) Close members of family ("Relatives") of KMP : Mr. Vivek Saraogi	1. Late Kamal Nayan Saraogi - Father (deceased on 15th October, 2020)
		2. Ms. Sumedha Saraogi - Wife
		3. Late Karan Saraogi - Son (deceased on 20th June, 2019)
		4. Ms. Avantika Saraogi - Daughter
		5. Ms. Stuti Dhanuka - Sister

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

b)	**Entities over which KMP and/or their relatives have significant influence**	1. Meenakshi Mercantiles Ltd.
		2. Udaipur Cotton Mills Co. Ltd.
		3. Novel Suppliers Pvt. Ltd.
		4. Kamal Nayan Saraogi (HUF)
		5. Vivek Saraogi (HUF)

c)	**Post employment benefit plan**	The Balrampur Sugar Company Limited Employees Gratuity Fund

(b) Transactions with Related parties : (₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(i)	**Compensation/Remuneration of KMP**				
	Mr. Vivek Saraogi	-	636.28	-	636.28
		(-)	(636.43)	(-)	(636.43)
	Dr. Arvind Krishna Saxena	-	32.59	-	32.59
		(-)	(31.52)	(-)	(31.52)
(ii)	**Commission to non-executive directors**				
	Mr. Sumit Mazumder	-	21.00	-	21.00
		(-)	(21.00)	(-)	(21.00)
	Mr. Dinesh Kumar Mittal	-	21.00	-	21.00
		(-)	(21.00)	(-)	(21.00)
	Mr. Krishnava Dutt	-	14.00	-	14.00
		(-)	(14.00)	(-)	(14.00)
	Ms. Veena Hingarh	-	14.00	-	14.00
		(-)	(8.20)	(-)	(8.20)
	Ms. Mamta Binani	-	5.80	-	5.80
		(-)	(-)	(-)	(-)
	Mr. Naresh Dayal	-	14.00	-	14.00
		(-)	(14.00)	(-)	(14.00)
	Mr. Shakti Prasad Ghosh	-	7.00	-	7.00
		(-)	(14.00)	(-)	(14.00)
(iii)	**Sitting fees**				
(a)	**Charged to Statement of Profit and Loss**				
	Mr. Sumit Mazumder	-	2.60	-	2.60
		(-)	(3.00)	(-)	(3.00)
	Mr. Dinesh Kumar Mittal	-	5.00	-	5.00
		(-)	(4.60)	(-)	(4.60)
	Mr. Krishnava Dutt	-	4.00	-	4.00
		(-)	(2.80)	(-)	(2.80)
	Ms. Veena Hingarh	-	2.60	-	2.60
		(-)	(1.00)	(-)	(1.00)

Note No. : 35 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
	Ms. Mamta Binani	-	2.80	-	2.80
		(-)	(-)	(-)	(-)
	Mr. Naresh Dayal	-	4.80	-	4.80
		(-)	(3.00)	(-)	(3.00)
	Mr. Shakti Prasad Ghosh	-	3.60	-	3.60
		(-)	(7.60)	(-)	(7.60)
	Late R. N. Das	-	-	-	-
		(-)	(3.80)	(-)	(3.80)
(b)	**Charged to Equity (included in buy-back expenses)**				
	Mr. Shakti Prasad Ghosh	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
	Late R. N. Das	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
	Ms. Novel S Lavasa	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
(iv)	**Rendering of services**				
	Ms. Avantika Saraogi	-	-	10.65	10.65
		(-)	(-)	(-)	(-)
(v)	**Investment in equity shares**				
	Auxilo Finserve Pvt. Ltd.	-	-	-	-
		(8250.00)	(-)	(-)	(8250.00)
(vi)	**Sale of equity shares of an associate pursuant to buy-back**				
	Visual Percept Solar Projects Pvt. Ltd.	1019.52	-	-	1019.52
		(-)	(-)	(-)	(-)
(vii)	**Redemption of Investment in debentures (at amortised cost)**				
	Visual Percept Solar Projects Pvt. Ltd.	564.58	-	-	564.58
		(1646.05)	(-)	(-)	(1646.05)
(viii)	**Interest income (at amortised cost)**				
	Visual Percept Solar Projects Pvt. Ltd.	19.46	-	-	19.46
		(284.93)	(-)	(-)	(284.93)
(ix)	**Recovery towards deputation of employee**				
	Visual Percept Solar Projects Pvt. Ltd.	11.34	-	-	11.34
		(3.95)	(-)	(-)	(3.95)
(x)	**Contribution to employees defined benefit plan**				
	The Balrampur Sugar Company Limited Employees Gratuity Fund	-	-	751.67	751.67
		(-)	(-)	(1684.12)	(1684.12)

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(xi)	**Interim dividend paid to equity shareholders (gross)**				
	Mr. Vivek Saraogi	-	858.48	-	858.48
		(-)	(861.73)	(-)	(861.73)
	Dr. Arvind Krishna Saxena	-	0.38	-	0.38
		(-)	(0.39)	(-)	(0.39)
	Ms. Sumedha Saraogi	-	-	551.08	551.08
		(-)	(-)	(633.18)	(633.18)
	Ms. Avantika Saraogi	-	-	79.68	79.68
		(-)	(-)	(83.49)	(83.49)
	Ms. Stuti Dhanuka	-	-	107.11	107.11
		(-)	(-)	(112.14)	(112.14)
	Meenakshi Mercantiles Ltd.	-	-	162.11	162.11
		(-)	(-)	(169.30)	(169.30)
	Udaipur Cotton Mills Co. Ltd.	-	-	142.24	142.24
		(-)	(-)	(148.55)	(148.55)
	Novel Suppliers Pvt. Ltd.	-	-	88.79	88.79
		(-)	(-)	(70.23)	(70.23)
	Kamal Nayan Saraogi (HUF)	-	-	170.48	170.48
		(-)	(-)	(178.05)	(178.05)
	Vivek Saraogi (HUF)	-	-	3.69	3.69
		(-)	(-)	(3.85)	(3.85)
(xii)	**Amount paid upon buy-back of equity shares**				
	Mr. Vivek Saraogi	-	2753.79	-	2753.79
		(-)	(2118.96)	(-)	(2118.96)
	Dr. Arvind Krishna Saxena	-	1.21	-	1.21
		(-)	(1.21)	(-)	(1.21)
	Ms. Sumedha Saraogi	-	-	1771.24	1771.24
		(-)	(-)	(554.67)	(554.67)
	Late Karan Saraogi	-	-	-	-
		(-)	(-)	(1006.10)	(1006.10)
	Ms. Avantika Saraogi	-	-	274.36	274.36
		(-)	(-)	(232.63)	(232.63)
	Ms. Stuti Dhanuka	-	-	362.06	362.06
		(-)	(-)	(302.62)	(302.62)
	Meenakshi Mercantiles Ltd.	-	-	518.13	518.13
		(-)	(-)	(413.48)	(413.48)
	Udaipur Cotton Mills Co. Ltd.	-	-	454.62	454.62
		(-)	(-)	(362.80)	(362.80)
	Novel Suppliers Pvt. Ltd.	-	-	283.78	283.78
		(-)	(-)	(171.51)	(171.51)
	Kamal Nayan Saraogi (HUF)	-	-	544.90	544.90
		(-)	(-)	(434.85)	(434.85)
	Vivek Saraogi (HUF)	-	-	11.78	11.78
		(-)	(-)	(9.40)	(9.40)

Note No. : 35 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(xiii)	**Balance Outstanding:**				
	Investment in debentures (at amortised cost)	-	-	-	-
		(564.58)	(-)	(-)	(564.58)
	Remuneration payable	-	360.00	-	360.00
		(-)	(360.00)	(-)	(360.00)
	Sitting fees and Commission payable (net of TDS)	-	89.73	-	89.73
		(-)	(82.98)	(-)	(82.98)
	Contribution to employees defined benefit plan	-	-	41.67	41.67
		(-)	(-)	(1584.12)	(1584.12)
	Deputation fee receivable	3.32	-	-	3.32
		(-)	(-)	(-)	(-)

Footnote:

Figures in brackets pertain to previous year.

(c) Details of Remuneration paid/payable to KMP:

(₹ in Lacs)

Particulars	Year ended 31st March, 2021				Year ended 31st March, 2020			
	Mr. Vivek Saraogi	Dr. Arvind Krishna Saxena	Other Directors	Total	Mr. Vivek Saraogi	Dr. Arvind Krishna Saxena	Other Directors	Total
Short-term employee benefits								
- Salary	240.00	25.73	-	265.73	240.00	25.10	-	265.10
- Sitting fees	-	-	25.40	25.40	-	-	27.00	27.00
- Commission	360.00	-	96.80	456.80	360.00	-	92.20	452.20
- Perquisites	7.48	4.05	-	11.53	7.63	3.83	-	11.46
	607.48	**29.78**	**122.20**	**759.46**	**607.63**	**28.93**	**119.20**	**755.76**
Post-employment benefits								
- Contribution to provident fund	28.80	2.81	-	31.61	28.80	2.59	-	31.39
	636.28	**32.59**	**122.20**	**791.07**	**636.43**	**31.52**	**119.20**	**787.15**

i) Sitting fees (includes sitting fees charged through Equity) - Refer Note No. 35(10)(b)(iii) for more details.

ii) The above remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

(d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

(e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provision for bad or doubtful debts has been recognised in current year and previous year in respect of the amounts owed by related parties.

(f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

11. Revenue

(i) The disclosures pertaining to disaggregation of revenue and performance obligation in terms of Ind AS 115 - Revenue from contracts with customers are as follows:

(a) Sugar

The Sugar segment of the Company principally generates revenue from manufacturing and sale of sugar and its by-products. Domestic sales of sugar is made on ex-factory terms/agreed terms to wholesale /institutional buyers/merchant exporters within the country. Domestic sugar sales is majorly done on advance payment terms.

Export sales of sugar to merchant exporters are done on ex-factory /delivered basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyers' specific location (as per agreed terms). The sale price and payment terms is fixed as per contracted terms.

Bagasse and pressmud are sold generally on advance payment terms to customers on ex-factory basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyer.

(b) Co-generation

The co-generation segment of the Company principally generates revenue from sale of power to distribution companies.

Power is supplied to distribution companies from the Company's facilities in accordance with the sale price, payment terms and other conditions as per the Power Purchase Agreements ("PPA").

(c) Distillery

The distillery segment of the Company principally generates revenue from sale of industrial alcohol which mainly constitutes ethanol sold under contracts with Public and Private Oil Marketing Companies ("OMCs") and other products to institutional buyers.

For sale of ethanol under contracts with OMCs, sale price is pre-determined based on Expression of Interest ("EOI")/Tender floated from OMCs. The prices are on delivered cost basis at OMC's locations inclusive of all duties/levies/taxes/charges etc. Payment terms is within 21 days after delivery of material and submission of original invoices.

Other products like Rectified Spirit, ENA, SDS etc. are sold on bulk basis to institutional buyers on ex-factory basis as per agreed terms. Revenue is recognised when goods have been shipped to the buyers' specific location as per agreed terms. The payment terms are fixed as per Company's credit policy which is up-to 45 days.

(d) Others

Other segment principally generates revenue from sale of agricultural fertilizers such as soil conditioner, granulated potash etc.

Agricultural fertilizers such as soil conditioner, granulated potash etc. are sold to customers on ex-factory/ delivered cost basis as per agreed terms. Revenue is recognised when the goods have been shipped to the buyers' specific location as per agreed terms (as the case may be). The payment terms are fixed as per Company's credit policy which is up-to 60 days.

(ii) Disaggregated revenue information have been given along with segment information [Refer Note No. 35(12)(d)].

12. Segment information

(a) The Managing Director has been identified as the Company's Chief Operating Decision Maker (CODM) as defined by Ind AS 108 –Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by Business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the Business segment of the Company.

The Company has identified three business segments viz. Sugar, Co-generation and Distillery and presented the same in the standalone financial statements on a consistent basis. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as " Unallocable".

Note No. : 35 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(b) The following is an analysis of revenue and results from operations by reportable segments: (₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Adjustments / Elimination	Total
Revenue							
External sales	368859.76	13665.17	82546.73	2179.34	-	-	467251.00
	(373758.86)	(16473.81)	(54908.67)	(1117.17)	(-)	(-)	(446258.51)
Inter segment sales	64032.94	30089.93	3.95	53.59	-	(94180.41)	-
	(49680.87)	(28576.09)	(0.05)	(47.49)	(-)	(-)(78304.50)	(-)
Other operating revenue	13914.70	-	-	-	-	-	13914.70
	(27870.89)	(-)	(-)	(-)	(-)	(-)	(27870.89)
Revenue from operations	**446807.40**	**43755.10**	**82550.68**	**2232.93**	**-**	**(94180.41)**	**481165.70**
	(451310.62)	(45049.90)	(54908.72)	(1164.66)	(-)	(-)(78304.50)	(474129.40)
Segment profit	**27784.19**	**5466.18**	**34105.82**	**1044.73**	**-**	**-**	**68400.92**
	(34422.17)	(4754.53)	(26146.40)	(518.77)	(-)	(-)	(65841.87)
Unallocable expenditure	-	-	-	-	4894.62	-	4894.62
net of unallocable income	(-)	(-)	(-)	(-)	(4688.50)	(-)	(4688.50)
Interest income							34.19
							(756.50)
Finance costs							3929.59
							(6417.02)
Profit before tax							**59610.90**
							(55492.85)
Tax							
Current tax							10259.89
							(9710.33)
Deferred tax							2373.79
							(-)(5145.66)
Profit for the year							**46977.22**
							(50928.18)

Footnotes:

(i) Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments/eliminations' column. Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at Company level. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Company level. Capital expenditure consists of additions to property, plant and equipment, capital work-in-progress and intangible assets.

(ii) Transactions between segments are primarily transferred at cost/estimated market prices. Common costs are apportioned on a reasonable basis.

(iii) Figures in brackets pertain to previous year.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(c) Other information

(₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Total
Segment assets	317708.64	66409.20	47455.46	2231.22	22386.30	456190.82
	(325990.96)	(76116.12)	(42621.65)	(1575.10)	(28483.52)	(474787.35)
Segment liabilities	66719.22	1203.36	1475.30	173.78	130234.56	199806.22
	(81018.70)	(1653.02)	(2279.85)	(171.75)	(152622.87)	(237746.19)
Capital expenditure *	5027.65	1393.28	2494.28	224.19	170.00	9309.40
	(6251.59)	(8042.10)	(11997.80)	(495.06)	(1045.26)	(27831.81)
Depreciation and	5184.71	3794.22	1872.39	76.87	259.45	11187.64
amortisation	(5015.43)	(3500.25)	(1293.47)	(45.54)	(287.04)	(10141.73)
Non cash expenses other than	118.08	8.21	2.44	-	-	128.73
depreciation and amortisation	(68.14)	(431.36)	(10.26)	(-)	(0.67)	(510.43)

*Includes depreciation, interest and other borrowing costs capitalised.

Footnote:

Figures in brackets pertain to previous year.

(d) In the following table, revenue is disaggregated by geographical market, major products/service lines and timing of revenue recognition which also includes a reconciliation of the disaggregated revenue with the Company's three strategic divisions, which are its reportable segments.

(₹ in Lacs)

Particulars	Domestic			Total reportable segment	All other Segment	Total
	Sugar	Co-generation	Distillery			
Geographical markets						
Within India	354679.87	13665.17	82546.73	450891.77	2179.34	453071.11
	(318890.46)	(16473.81)	(54908.67)	(390272.94)	(1117.17)	(391390.11)
Within India to merchant	14179.89	-	-	14179.89	-	14179.89
exporter	(54868.40)	(-)	(-)	(54868.40)	(-)	(54868.40)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Major product						
Sugar	348342.17	-	-	348342.17	-	348342.17
	(333734.50)	(-)	(-)	(333734.50)	(-)	(333734.50)
Raw sugar	14179.89	-	-	14179.89	-	14179.89
	(31966.97)	(-)	(-)	(31966.97)	(-)	(31966.97)
Industrial alcohol	-	-	81999.38	81999.38	-	81999.38
	(-)	(-)	(54530.76)	(54530.76)	(-)	(54530.76)
Power	-	13523.73	-	13523.73	-	13523.73
	(-)	(16160.76)	(-)	(16160.76)	(-)	(16160.76)
Bagasse	5585.46	-	-	5585.46	-	5585.46
	(7270.67)	(-)	(-)	(7270.67)	(-)	(7270.67)
Others	752.24	141.44	547.35	1441.03	2179.34	3620.37
	(786.72)	(313.05)	(377.91)	(1477.68)	(1117.17)	(2594.85)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Timing of revenue recognition						
Products and services transferred	368859.76	13665.17	82546.73	465071.66	2179.34	467251.00
at a point in time	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Products and services transferred	-	-	-	-	-	-
over time	(-)	(-)	(-)	(-)	(-)	(-)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)

Footnote:

Figures in brackets pertain to previous year.

Note No. : 35 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(e) Geographical information:

Refer Note No. 35 (12) (d) above for disclosures relating to revenue disaggregated by geographical market.

(f) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2021 and 31st March, 2020.

13. Ind AS 116 - "Leases " was adopted by the Company w.e.f. 1st April, 2019. The Lease hold land was reclassified as " Right-of -use" assets and amortised over the lease term, where the original lease term ranges from 25-30 years and the extension period ranges from 0-60 years.

Depreciation/amortisation charge for Right-of-use assets is included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

Further, to above, the Company has certain lease arrangement on short term basis, expenditure on which has been recognised under line item "Rent" under Other expenses.

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis have been disclosed under Note No. 35(18)(c).

Movement in lease liabilities : (₹ in Lacs)

Particulars	Amount
Balance as at 1st April, 2020	240.38
Derecognised during the year	240.38
Addition to lease liabilities	140.80
Finance cost accrued during the year	9.28
Payment of lease liabilities	33.27
Balance as at 31st March, 2021	**116.81**
- Current	16.63
- Non-current	100.18
Balance as at 1st April, 2019	-
Addition to lease liabilities	232.39
Finance cost accrued during the year	16.31
Payment of lease liabilities	8.32
Balance as at 31st March, 2020	**240.38**
- Current	16.63
- Non-current	223.75

14. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2021 or year ended 31st March, 2020. Hence, the requirements under the said Schedule is not applicable to the Company and no information is required to be disclosed.

15. The Board of Directors of Visual Percept Solar Projects Pvt. Ltd. ("VPSPPL", the Associate Company) at it's meeting held on 06th January, 2021 and the Shareholders of the VPSPPL at their Extra Ordinary General Meeting held on 18th January, 2021 approved the buy-back of 2360000 equity shares of face value ₹10/- each in accordance with Section 68 of the Companies Act, 2013 read together with Rule 17 of Companies (Share Capital and Debentures) Rules, 2014 as amended on proportionate basis at a price of ₹96/- per equity share payable in cash aggregating to ₹2265.60 Lacs.

The Company participated and tendered its full eligibility of 1062000 equity shares in the said buy-back offer. VPSPPL bought back the entire offered shares. Pursuant to the same, the Company has received an amount of ₹ 1019.52 Lacs which includes gain arising on

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

such buy-back amounting to ₹ 754.02 Lacs which has been shown as "Gain on buy-back of equity shares of an associate" under "Other income".

Consequently, the Company's investment in VPSPPL stands reduced to 7852500 equity shares constituting 45.00% of the total shareholding. VPSPPL continues to be an associate of the Company.

16. The Board of Directors of the Company at its meeting held on 15th September, 2017 considered and approved cumulative investment of ₹ 17500.00 Lacs in tranches over a period of five years in Auxilo Finserve Private Limited ("AFPL"), an unlisted NBFC based in India and engaged in financing activities in education sector.

The Company has so far acquired 155000000 (Previous Year: 155000000) Equity shares of AFPL having face value ₹ 10/- each with total cost of ₹ 15750.00 Lacs (Previous Year: ₹ 15750.00 Lacs) on preferential issue basis constituting 45.05% (Previous Year: 45.05%). AFPL continues to be an associate of the Company.

17. Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category

As at 31st March, 2021 (₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Carrying and fair value		
			Cost	Amortised cost	Total
(1)	**Financial assets**				
(a)	Investments	6	17713.13	-	17713.13
(b)	Trade receivables	7	-	24546.35	24546.35
(c)	Cash and cash equivalents	13	-	44.67	44.67
(d)	Bank balances other than cash and cash equivalents	14	-	235.22	235.22
(e)	Other financial assets	8	-	9761.81	9761.81
	Total		**17713.13**	**34588.05**	**52301.18**
(2)	**Financial liabilities**				
(a)	Borrowings	18	-	113463.79	113463.79
(b)	Trade and other payables	23	-	59644.62	59644.62
(c)	Other financial liabilities	19	-	16091.74	16091.74
	Total		**-**	**189200.15**	**189200.15**

As at 31st March, 2020 (₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Carrying and fair value		
			Cost	Amortised cost	Total
(a)	Investments	6	17978.63	564.58	18543.21
(b)	Trade receivables	7	-	23928.87	23928.87
(c)	Cash and cash equivalents	13	-	149.24	149.24
(d)	Bank balances other than cash and cash equivalents	14	-	316.34	316.34
(e)	Other financial assets	8	-	29989.62	29989.62
	Total		**17978.63**	**54948.65**	**72927.28**
(2)	**Financial liabilities**				
(a)	Borrowings	18	-	139895.32	139895.32
(b)	Trade and other payables	23	-	67795.18	67795.18
(c)	Other financial liabilities	19	-	16583.76	16583.76
	Total		**-**	**224274.26**	**224274.26**

Note No. : 35 - Other disclosures *(contd...)*

B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at an amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables, and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

(ii) The carrying value of debentures approximate their fair value as the instruments are at prevailing market rate.

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

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 or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reconciliation of opening and closing balances for Level 3 fair value: (₹ in Lacs)

Particulars	Investments in unquoted equity shares
Balance as at 1st April, 2020	-
Recognised during the year	-
Balance as at 31st March, 2021	-
Balance as at 1st April, 2019	61.63
De-recognised during the year	61.63
Balance as at 31st March, 2020	-

18. Financial risk management objectives and policies

The Company's principal financial liabilities includes borrowings, trade and other payables and other financial liabilities and principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management under the supervision of Board of Directors oversees the management of these risks. The Company's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

Sugar is produced over a period of 4 to 5 months and is required to be stored for sale over a period of 12 months, thereby resulting in very high requirement of working capital. Cost of funding depends on the overall fiscal environment in the country as well as the Company's credit worthiness /credit ratings. Failure to maintain credit rating can adversely affect the cost of funds.

To mitigate the interest rate risk, the Company maintains an impeccable track record and ensures long term relation with the lenders to raise adequate funds at competitive rates. Company has access to low cost borrowings because of its healthy Balance Sheet. Moreover, Company deals with multiple banks thereby reduces risk significantly. In addition, steady revenue from co-generation and distillery business reduces the overall requirement of working capital.

As at 31st March 2021, the Company has outstanding non-current borrowings other than lease obligations, aggregating to ₹ 36252.77 Lacs (Previous Year: ₹ 44589.30 Lacs), out of which non-current borrowings of ₹ 12522.50 Lacs (Previous Year: ₹ 13024.00 Lacs) are linked to variable interest rates and are covered under interest subvention scheme [Refer Note No. 18(i) and footnote (vi) to Note No. 35(8)]. Thus, 25 bps increase / decrease in the interest rate will not have a material impact in the Statement of Profit and Loss.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. To mitigate foreign exchange risk, the Company covers its position through permitted hedging methods.

There was no foreign currency exposure as at 31st March, 2021 and 31st March, 2020.

(iii) Commodity price risk

The major segment in which the Company operates, which accounts for around 78% of the Company's revenues is Sugar and as such the Company is exposed to commodity price risk. Normally, Company does not physically export sugar unless it is mandated by the Government and duly supported by export subsidy. In that case, the Company has a policy in place to hedge the export underlying exposure. For domestic sales, under the current regime, sales quotas are announced by the Government on monthly basis.

Further, there are not many active platforms in India that allow hedging of domestic sugar sales. In addition to the above, the Central Government had announced Minimum Sale Price (MSP) for sale of sugar in the open market by every sugar mill. Such MSP, currently at ₹ 31/- per kilogram acts as a minimum floor price for the sale of sugar by the sugar mills in India. The pricing methodology for ethanol also remained unchanged. Ethanol prices are announced annually by the Central Government based on a formula, which considers the price of sugar and FRP of sugarcane to calculate the ethanol procurement prices. The ethanol prices are delinked with the crude or petrol prices. Thus, there is no price risk in case of ethanol and accordingly it does not require any hedging.

(iv) Other price risk:

Company's equity risk exposure is limited to cost and these are subject to impairment testing as per the policies followed in this respect. Accordingly, other price risk is not expected to be material.

(b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's sugar sales are mostly on cash. Power is sold to government entities and ethanol is sold under contracts with Public and Private Oil Marketing Companies ("OMCs"); thereby, the credit default risk is significantly mitigated.

The Company uses judgment in making the assumptions and selecting the inputs for assessing the impairment calculation, based on the Company's past history, existing market conditions, and future estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery; however, the Company continues to recover the receivables. Where recoveries are made, these are recognised in the Standalone Statement of Profit and Loss.

Note No. : 35 - Other disclosures *(contd...)*

(i) Trade receivables

Trade receivables are non-interest bearing; Refer Note No. 35(11) for credit terms.

An impairment analysis is performed at each balance sheet date on an individual basis for major customers. Also, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the carrying value of each financial assets class disclosed under Note No. 7.

The ageing analysis of the receivables has been considered from the date the invoice falls due: (₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Upto 6 months	24546.25	16508.49
6 to 12 months	0.10	7420.38
More than 12 months	97.63	97.63
	24643.98	**24026.50**

The following table summarizes the change in the loss allowances measured using life time expected credit loss model for trade receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
As per last account	97.63	97.63
	97.63	**97.63**
- Current	-	-
- Non-current	97.63	97.63

(ii) Balances with banks

Credit risk for balances with banks is managed in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the Standalone balance sheet as at 31st March, 2021 and 31st March, 2020 is the carrying amounts as stated under Note No. 13 and 14.

Notes forming part of the standalone financial statements for the year ended 31st March, 2021

Note No. : 35 - Other disclosures *(contd...)*

(c) Liquidity risk

The Company's objective is to meet the funding requirement and maintain flexibility in this respect through the use of cash credit facilities, short term loans and commercial papers.

The table below summarises the carrying value and contractual cash flows of Company's financial liabilities : (₹ in Lacs)

Sl. No.	Particulars	Carrying value	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
A.	**As at 31st March, 2021**					
(i)	Borrowings other than lease obligation					
	Non-current (including current maturities of long - term debt)	34784.96	36252.77	10557.62	25695.15	-
	Current - Loans repayable on demand	89136.27	89136.27	89136.27	-	-
		123921.23	**125389.04**	**99693.89**	**25695.15**	**-**
(ii)	Lease obligation	116.81	166.33	16.63	66.53	83.17
(iii)	Trade and other payables	59644.62	59644.62	59644.62	-	-
(iv)	Other financial liabilities (excluding current maturities of long - term debt and lease obligation)	5517.49	5517.49	5517.49	-	-
	Total	**189200.15**	**190717.48**	**164872.63**	**25761.68**	**83.17**
B.	**As at 31st March, 2020**					
(i)	Borrowings other than lease obligation					
	Non-current (including current maturities of long - term debt)	42138.90	44589.30	8336.53	36252.77	-
	Current - Loans repayable on demand	105869.20	105869.20	105869.20	-	-
		148008.10	**150458.50**	**114205.73**	**36252.77**	**-**
(ii)	Lease obligation	240.38	1264.11	16.63	66.53	1180.95
(iii)	Trade and other payables	67795.18	67795.18	67795.18	-	-
(iv)	Other financial liabilities (excluding current maturities of long - term debt and lease obligation)	8230.60	8230.60	8230.60	-	-
	Total	**224274.26**	**227748.39**	**190248.14**	**36319.30**	**1180.95**

The Company has current financial and non-financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

19. Capital Management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, and all other equity reserves attributable to the Company's equity shareholders. The Company's objective while managing capital is to safeguard its ability to continue as a going concern to continue to provide returns to shareholders and other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the financial covenants' requirements and return of capital to shareholders.

To achieve this overall objective, the Company's capital management, amongst other things, also aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The Company has complied with these covenants. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

Note No. : 35 - Other disclosures *(contd...)*

19. Capital Management : *(contd...)*

The Company monitors capital using debt-equity ratio, which is total long-term debt divided by total equity

(₹ in Lacs, unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total long-term debt (including current maturities of long term debt)	36252.77	44589.30
Total equity	256384.60	237041.16
Debt to equity ratio	0.14	0.19

(b) Dividend

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Year to which interim dividend relates	2020-21	2019-20
Interim dividend paid per equity share (₹)	2.50	2.50
Gross amount of Interim dividend (₹ in Lacs)	5250.00	5500.00
Dividend distribution tax on above (₹ in Lacs)	Not applicable	1130.54

20. The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year's figures.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438

sd/-
Manoj Agarwal
Company Secretary

sd/-
Pramod Patwari
Chief Financial Officer

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata
Date: 01st June, 2021

Place of Signature: Kolkata

Place of Signature: Kolkata

Place of Signature: Balrampur

Place of Signature: Kolkata

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To
The Members of
Balrampur Chini Mills Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Balrampur Chini Mills Limited ("the Company") and share of its profit of Associates, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, and on the other financial information of the Associates, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company including its Associates, as at 31st March, 2021, consolidated profit (including other comprehensive income), consolidated changes in equity and the consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated financial statements' section of our report. We are independent of the Company and its Associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying consolidated financial statements.

Sl. No.	Key audit matters	Addressing the Key Audit Matters
1.	**Valuation and determination of Inventory** As on 31st March, 2021, the Company has inventory of sugar with the carrying value of ₹ 201416.00 Lacs which forms significant part of the total assets of the Company. The inventory of sugar is valued at the lower of cost and net realizable value. Significant judgement is involved in determining • the cost of production of sugar which is dependent upon variability in seasonal factors including number of sugarcane crushing days, recovery of sugar from cane and valuation of the products incidental to production of sugar.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the inventory include the following:** • Evaluating the accounting policy followed for valuation of inventory of sugar and appropriateness thereof with respect to relevant accounting standards in this respect. • Review of the process of physical verification of sugar and its reconciliation with the book stock.

Sl. No.	Key audit matters	Addressing the Key Audit Matters
	• the realizable price of sugar which is factored by minimum sale price, monthly quota and fluctuation in domestic and international selling prices.	• Understanding and testing the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar and consistency with respect to policy followed in this respect. • Assessing the adequacy of the method used, relevance and reliability of data and the systems & procedures followed for arriving at the cost of sugar inventory. • Review of the selling price of sugar prevailing at the year end and subsequent to the same both in the domestic and international market and directives of the Government concerning minimum sale price, monthly quota and related export obligations and initiative taken by the company ensuring the compliances thereof.
2.	**Recognition of Deferred tax assets and liabilities** Deferred tax assets pertaining to MAT Credit entitlement amounting to ₹ 17807.52 Lacs recognised in earlier year has been continued in this year. Recognition of deferred tax assets and liabilities is based on expected utilization and/ or reversal thereof considering the management's projection of future taxable income of the company. This involves estimation of future operations and profitability based on assumptions and anticipations which may be in variance with the actual happening.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the recognition of deferred tax assets include the following** • Evaluation of the temporary differences and utilization/ reversal of deferred tax assets and liabilities based on internal forecasts by the management and resultant impact on future taxable income of the Company. • The above includes critical review of underlying assumptions for consistency and arriving at reasonable level of probability on the matters with due regard to the current and past results and performances, as required in terms of Ind AS 12 Income Taxes and principles in this regard. • Review of management's assumption with respect to profit in future periods and taxability thereof and placing reliance on such assumptions and projections given the current scale of operations and prevailing conditions and situations.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include consolidated financial statements, standalone financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report with respect to the above.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the Company and it's Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its Associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Company including its Associates are responsible for assessing the Company's ability including its Associates 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 are also responsible for overseeing the financial reporting process of the Company including its Associates.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company including its Associates has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability including its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company including its Associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Company including its Associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements of the two Associate companies, Visual Percept Solar Projects Private Limited and Auxilo Finserve Private Limited included in the consolidated financial statements for the year ended 31st March, 2021 which includes Company's share of net profit of ₹ 1503.22 Lacs, other comprehensive income of ₹ 0.09 Lacs and total comprehensive income of ₹ 1503.31 Lacs. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associates, and our report in terms of sub-section (3) and sub section (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associates, is based solely on the report of other auditors. Our opinion is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

    e) Based on the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and as per the report of other statutory auditors of its Associate companies, none of the directors is disqualified as on 31st March, 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 with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our Report in "Annexure A" which is based on the audited report of the Company audited by us and two Associates audited by other auditors. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to consolidated financial statements of the Company and its Associates incorporated in India; and

2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. Pending litigations (other than those already recognised in the consolidated financial statements) having material impact on the financial position of the Company have been disclosed in the consolidated financial statements as required in terms of accounting standards and provisions of Companies Act, 2013 – refer note 36(1)(a) and 36(3)(b) to the consolidated financial statements.

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, however, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Associates of the Company.

3. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company and its Associates to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

FOR LODHA & CO.
Chartered Accountants
Firm's Registration No.- 301051E

sd/-
R. P. SINGH
Partner
Membership No.- 052438
UDIN:21052438AAAABS8556

Place of Signature: Kolkata
Date: 01st June, 2021

Annexure "A" to the Independent Auditors' Report on Consolidated Financial Statements

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company and its Associates as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of Balrampur Chini Mills Limited (hereinafter referred to as "the Company") and its Associate companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

The respective Board of Directors of the Company and its Associate Companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the auditors of the Associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company and its Associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls with reference to consolidated financial statements was operating effectively as at 31st March, 2021, based on the internal control with reference to the consolidated financial statements 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.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two Associate companies, which are companies incorporated in India, is based on the corresponding standalone reports of the auditors', as applicable, of such companies incorporated in India.

FOR LODHA & CO.
Chartered Accountants
Firm's Registration No.- 301051E

sd/-
R. P. SINGH
Partner
Membership No.- 052438
UDIN:21052438AAAABS8556

Place of Signature: Kolkata
Date: 01st June, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
ASSETS					
Non - current assets					
(a) Property, plant and equipment	4	159775.40		162315.67	
(b) Capital work-in-progress	4A	1447.90		1239.64	
(c) Intangible assets	5	82.95		88.93	
(d) Financial assets					
(i) Investments					
Investment in associates accounted for using the equity method	6	24915.52		23873.85	
(ii) Trade receivables	8(i)	-		-	
(iii) Other financial assets	9(i)	214.21		204.13	
(e) Non-current tax assets (net)	10	641.38		840.27	
(f) Other non-current assets	11	878.24	187955.60	483.54	189046.03
Current assets					
(a) Inventories	12	237845.71		229497.13	
(b) Biological assets	13	6.08		12.50	
(c) Financial assets					
(i) Investments					
Other Investments	7	-		564.58	
(ii) Trade receivables	8(ii)	24546.35		23928.87	
(iii) Cash and cash equivalents	14	44.67		149.24	
(iv) Bank balances other than cash and cash equivalents	15	235.22		316.34	
(v) Other financial assets	9(ii)	9547.60		29785.49	
(d) Other current assets	16	3211.98	275437.61	7382.39	291636.54
Total Assets			**463393.21**		**480682.57**
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	17	2100.00		2200.00	
(b) Other equity	18	259814.78	261914.78	239369.47	241569.47
Liabilities					
Non - current liabilities					
(a) Financial liabilities					
Borrowings	19(i)	24327.52		34026.12	
(b) Deferred income	21	717.66		1467.81	
(c) Provisions	22(i)	820.85		672.10	
(d) Deferred tax liabilities (net)	23	6400.44	32266.47	3781.26	39947.29
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	19(ii)	89136.27		105869.20	
(ii) Trade and other payables	24				
(a) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		128.75		203.75	
Total outstanding dues of creditors other than micro enterprises and small enterprises		59174.93		66790.75	
(b) Other payables					
Total outstanding dues of micro enterprises and small enterprises		26.46		8.67	
Total outstanding dues of creditors other than micro enterprises and small enterprises		314.48		792.01	
(iii) Other financial liabilities	20	16091.74		16583.76	
(b) Deferred income	21	750.15		982.59	
(c) Other current liabilities	25	3053.50		5911.71	
(d) Provisions	22(ii)	535.68	169211.96	2023.37	199165.81
Total Equity and Liabilities			**463393.21**		**480682.57**
Corporate information	1				
Significant accounting policies and the accompanying notes 2 to 36 are an integral part of the consolidated financial statements.					

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from operations	26	481165.70	474129.40
Other income	27	2692.10	4387.18
Total income		**483857.80**	**478516.58**
Expenses:			
Cost of materials consumed	28	351186.14	346415.81
Changes in inventories of finished goods, by-products and work-in-progress	29	(5583.15)	3733.54
Employee benefits expense	30	28164.99	25399.61
Finance costs	31	3929.59	6417.02
Depreciation and amortisation expense	32	11187.64	10141.73
Other expenses	33	36014.40	30383.51
Total expenses		**424899.61**	**422491.22**
Profit before share of profit of associates and tax		**58958.19**	**56025.36**
Share of profit of associates		1959.77	780.67
Profit before tax		**60917.96**	**56806.03**
Tax expense	34		
Current tax		10259.89	9710.33
Deferred tax		2679.07	(4839.74)
Total tax expense		**12938.96**	**4870.59**
Profit for the year		**47979.00**	**51935.44**
Other comprehensive income	35		
Items that will not be reclassified to profit or loss		(85.52)	(1098.76)
Income tax relating to items that will not be reclassified to profit or loss		29.90	409.20
Total other comprehensive income for the year		**(55.62)**	**(689.56)**
Total comprehensive income for the year		**47923.38**	**51245.88**
(Comprising of profit and other comprehensive income for the year)			
Earnings per equity share of ₹ 1/- each	36(7)		
- Basic and Diluted (₹)		22.48	23.44
Weighted average number of shares used in computing earnings per share			
- Basic and Diluted		213452055	221613887
Corporate information	1		
Significant accounting policies and the accompanying notes 2 to 36 are an integral part of the consolidated financial statements.			

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

(a) Equity share capital

For the year ended 31st March, 2021 (₹ in Lacs)

Opening balance as at 1st April, 2020	Changes in equity share capital during the year [Refer Note No. 17(c)]	Closing balance as at 31st March, 2021
2200.00	(100.00)	2100.00

For the year ended 31st March, 2020 (₹ in Lacs)

Opening balance as at 1st April, 2019	Changes in equity share capital during the year [Refer Note No. 17(c)]	Closing balance as at 31st March, 2020
2284.38	(84.38)	2200.00

(b) Other equity

(₹ in Lacs)

Particulars	Reserves and surplus						Other comprehensive income	Total other equity
	Capital reserve	Securities premium	Capital redemption reserve	Storage fund for molasses	General reserve	Retained earnings	Re-measurement of defined benefit plan	
Opening balance as at 1st April, 2020	**3184.58**	**9819.98**	**2904.48**	**87.19**	**110000.00**	**113373.24**	**-**	**239369.47**
Changes in equity during the year ended 31st March, 2021								
Profit for the year	-	-	-	-	-	47979.00	-	47979.00
Other comprehensive income for the year	-	-	-	-	-	-	(55.62)	(55.62)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**47979.00**	**(55.62)**	**47923.38**
Transfer on account of buy-back of equity shares [Refer Note No. 36(4)]	-	(100.00)	100.00	-	-	-	-	-
Utilised on account of buy-back of equity shares [Refer Note No. 36(4)]	-	(9719.98)	-	-	-	(8180.02)	-	(17900.00)
Tax on buy-back of equity shares [Refer Note No. 36(4)]	-	-	-	-	-	(4193.28)	-	(4193.28)
Buy-back expenses (net of tax ₹44.95 Lacs) [Refer Note No.36(4)]	-	-	-	-	-	(83.69)	-	(83.69)
Storage fund for molasses created during the year [Refer Note No. 18(v)]	-	-	-	55.73	-	-	-	55.73
Storage fund for molasses written back during the year [Refer Note No. 18(v)]	-	-	-	(106.83)	-	-	-	(106.83)
Transfer (to)/from retained earnings	-	-	-	-	40000.00	(40055.62)	55.62	-
Interim dividend [Refer Note No. 36(20) (b)]	-	-	-	-	-	(5250.00)	-	(5250.00)
Closing balance as at 31st March, 2021	**3184.58**	**-**	**3004.48**	**36.09**	**150000.00**	**103589.63**	**-**	**259814.78**

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021 *(contd...)*

(b) Other equity *(contd...)*

(₹ in Lacs)

Particulars	Reserves and surplus						Other comprehensive income		Total other equity
	Capital reserve	Securities premium	Capital redemption reserve	Storage fund for molasses	General reserve	Retained earnings	Re-measurement of defined benefit plan	Gain on equity instruments	
Opening balance as at 1st April, 2019	**3184.58**	**24587.05**	**2820.10**	**39.85**	**90000.00**	**88863.14**	**-**	**-**	**209494.72**
Changes in equity during the year ended 31st March, 2020									
Profit for the year	-	-	-	-	-	51935.44	-	-	51935.44
Other comprehensive income for the year	-	-	-	-	-	-	(751.64)	62.08	(689.56)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**51935.44**	**(751.64)**	**62.08**	**51245.88**
Transfer on account of buy-back of equity shares	-	(84.38)	84.38	-	-	-	-	-	-
Utilised on account of buy-back of equity shares	-	(14682.69)		-	-	-	-	-	(14682.69)
Buy-back expenses (net of tax ₹56.53 Lacs)	-	-	-	-	-	(105.24)	-	-	(105.24)
Storage fund for molasses created during the year [Refer Note No. 18(v)]	-	-	-	47.34	-	-	-	-	47.34
Transfer (to)/from retained earnings	-	-	-	-	20000.00	(20689.56)	751.64	(62.08)	-
Interim dividend [Refer Note No. 36(20)(b)]	-	-	-	-	-	(5500.00)	-	-	(5500.00)
Dividend distribution tax on interim dividend [Refer Note No. 36(20)(b)]	-	-	-	-	-	(1130.54)	-	-	(1130.54)
Closing balance as at 31st March, 2020	**3184.58**	**9819.98**	**2904.48**	**87.19**	**110000.00**	**113373.24**	**-**	**-**	**239369.47**

Corporate information Note No.1

Significant accounting policies and the accompanying notes 2 to 36 are an integral part of the consolidated financial statements.

Description of purposes of each reserve have been disclosed in Note No. 18.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before share of profit of associates and tax		**58958.19**		**56025.36**
Adjustments to reconcile profit before share of profit of associates and tax to net cash flow provided by operating activities :				
Finance costs	3929.59		6417.02	
Depreciation and amortisation expense	11187.64		10141.73	
Profit on sale/discard of property, plant and equipment (net)	(83.57)		(476.28)	
Sundry debit balances/advances written off	36.33		196.59	
Claims receivable written off	-		262.94	
Obsolete stores and spares written off (net)	36.67		-	
Provision for obsolescence /non-moving stores and spares	-		3.56	
Transfer to storage fund for molasses	55.73		47.34	
Interest income on financial assets	(31.44)		(300.39)	
Gain on buy-back of equity shares of an associate	(101.31)		-	
Gain on deemed disposal of investment in associate	-		(532.51)	
Liabilities no longer required written back	(321.22)		(713.73)	
Provision for doubtful advances written back	(1.02)		(6.00)	
Storage fund for molasses written back	(106.83)		-	
		14600.57		15040.27
Operating profit before working capital changes		**73558.76**		**71065.63**
Adjustments to reconcile operating profit to cash flow provided by changes in working capital :				
(Increase)/decrease in inventories	(8385.25)		2088.39	
Decrease in biological assets	6.42		4.99	
(Increase)/decrease in trade and other receivables	(617.48)		21074.49	
Decrease/(increase) in other current /non-current financial assets	20227.18		(10943.74)	
(Increase) in other current /non-current assets	(607.02)		(542.22)	
(Deposit)/withdrawal from escrow account for cane price payment	(6.14)		28.96	
(Decrease)/increase in trade and other payables	(7369.60)		6548.90	
(Decrease)/increase in other current /non-current financial liabilities	(2362.56)		2240.70	
(Decrease)/increase in other current /non-current liabilities	(2858.21)		2893.76	
(Decrease)/increase in provision for employee benefits	(1424.57)		424.27	
		(3397.23)		23818.50
Cash generated from operations		**70161.53**		**94884.13**
Tax paid (net)		(5264.68)		(9923.14)
Net cash generated from operating activities (A)		**64896.85**		**84960.99**

Consolidated Cash Flow Statement for the year ended 31st March, 2021 *(contd...)*

(₹ in Lacs)

Particulars		Year ended 31st March, 2021		Year ended 31st March, 2020	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment, capital work-in-progress and intangible assets		(10086.07)		(25437.91)	
Sale of property, plant & equipment		309.55		1248.21	
Purchase of shares of an associate		-		(8250.00)	
Sale of shares of an associate pursuant to buy-back		1019.52		-	
Redemption of debentures		554.75		1366.87	
Sale of investment in equity shares		-		85.00	
Proceeds from maturity of national savings certificates		-		4.84	
Fixed deposits placed with banks		(97.15)		(114.19)	
Fixed deposits redeemed from banks		144.74		43.22	
Interest received on debentures/fixed deposits and NSC		41.95		582.67	
Net cash used in investing activities	**(B)**		**(8112.71)**		**(30471.29)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Payment towards buy-back of shares		(18000.00)		(14767.07)	
Payment of tax towards buy-back of shares		(4193.28)		-	
Buy-back expenses		(128.64)		(161.77)	
Proceeds from long-term borrowings		-		13024.00	
Repayment of long-term borrowings		(8336.53)		(6009.62)	
(Repayment) /proceeds of short-term borrowings (net)		(16732.93)		(33597.04)	
Interest paid		(4207.79)		(6373.06)	
Other borrowing costs		(39.54)		(37.12)	
Interim dividend paid		(5250.00)		(5500.00)	
Dividend distribution tax paid		-		(1130.54)	
Net cash used in financing activities	**(C)**		**(56888.71)**		**(54552.22)**
Net (decrease) in cash and cash equivalents	**(A+B+C)**		**(104.57)**		**(62.52)**
Opening cash and cash equivalents			149.24		211.76
Closing cash and cash equivalents for the purpose of Consolidated Cash Flow Statement			**44.67**		**149.24**

Footnotes:

1) The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
2) Interest expense is inclusive of, and additions to property, plant and equipment and intangible assets are exclusive of, interest capitalised ₹ Nil (Previous Year: ₹ 20.47 Lacs).
3) Additions to property, plant and equipment, capital work-in-progress and intangible assets include capital advances.
4) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
5) Company has incured ₹ 1067.55 Lacs (Previous year: ₹ 1092.89 Lacs) in cash on acount of Corporate Social Responsibility (CSR) expenditure.

Consolidated Cash Flow Statement for the year ended 31st March, 2021 *(contd...)*

6) Cash and cash equivalents as at the Balance Sheet date consists of: (₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Balance with banks on current accounts	10.07	46.72
b) Cash on hand	34.60	102.52
Closing cash and cash equivalents (Refer Note No. 14)	**44.67**	**149.24**

7) Change in Company's liabilities arising from financing activities: (₹ in Lacs)

Particulars	As at 31st March, 2020	Cash flows*	Non-cash flows	As at 31st March, 2021
a) Non-current borrowings from banks [Refer Note No. 19 (i)]	33802.37	-	(9575.03)	24227.34
b) Current maturities of long term debt [Refer Note No. 20]	8336.53	(8336.53)	10557.62	10557.62
c) Short term borrowings [Refer Note No. 19 (ii)] #	105869.20	(16732.93)	-	89136.27
d) Interest accrued but not due on borrowings [Refer Note No. 20]	660.97	(660.97)	326.06	326.06
Total	**148669.07**	**(25730.43)**	**1308.65**	**124247.29**

* Includes cash flows on account of both principal and interest.

Cash flows represents cash flows during the year on net basis.

8) As breakup of Cash and cash equivalents is also available in Note No. 14, reconciliation of items of Cash and cash equivalents as per Consolidated Cash Flow Statement with the respective items reported in the Consolidated Balance Sheet is not required and hence not provided.

Corporate information Note No. 1

Significant accounting policies and the accompanying notes 2 to 36 are an integral part of the consolidated financial statements.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No.- 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 1 - Corporate information

The consolidated financial statements comprise financial statements of Balrampur Chini Mills Ltd. ("BCML" or "Company") and its two associates; Visual Percept Solar Projects Pvt. Ltd. ("VPSPPL") and Auxilo Finserve Pvt. Ltd. ("AFPL").

Balrampur Chini Mills Limited ("BCML" or "Company") having Corporate Identity Number ("CIN") L15421WB1975PLC030118 is a public limited company incorporated and domiciled in India and has its registered office located at FMC Fortuna, 2nd Floor, 234/3A, AJC Bose Road, Kolkata – 700020, West Bengal, India.

Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Company is one of the major integrated sugar manufacturing companies in India. The principal activity of the Company is manufacturing and sale of sugar. Besides this, the allied business activities of the Company primarily consists of manufacturing and sale of ethanol, ethyl alcohol, generation and sale of power and manufacturing and sale of agricultural fertilizers.

The consolidated financial statements for the year ended 31st March, 2021 were approved for issue by the Board of Directors of Company on 01st June, 2021 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

Note No. : 2 - Significant accounting policies

2.1 Basis of preparation and consolidation

2.1.1 Basis of preparation

These consolidated financial statements have been prepared under Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under historical cost convention on an accrual basis, except certain financial instruments and biological assets which are measured in terms of relevant Ind AS at fair value/cost, and other relevant provisions of the Act (to the extent notified).

All Ind AS issued and notified till the consolidated financial statements are approved for issue by the Board of Directors have been considered in preparing these consolidated financial statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

All the assets and liabilities (other than deferred tax assets/liabilities) have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Company has identified its operating cycle as 12 months for current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are considered as non-current.

The items included in the consolidated financial statements (including notes thereon) are measured using the currency of the primary economic environment in which Company operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or "₹"). All amounts disclosed in the consolidated financial statements including notes thereon have been rounded off to the nearest two decimals of Lacs, unless otherwise stated.

2.1.2 Basis of consolidation

The consolidated financial statements have been prepared in accordance with the principles laid down in "Ind AS 110" on "Consolidated Financial Statements" and "Ind AS 28" on "Accounting for Investments in Associates and Joint Ventures".

The Company's investments in its associates are accounted for using the equity method. Under the equity method, the investment in associates is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. If the Company's share of the net fair value of the investee's identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment.

Note No. : 2 - Significant accounting policies *(contd...)*

The consolidated statement of profit and loss reflects the Company's share of the results of operations of the associates. Any change in other comprehensive income of investee is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates, the Company recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Company and the associates are eliminated to the extent of the interest in the associates.

If the Company's share of losses of associates equals or exceeds its interest in the associates (which includes any long term interest that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associates. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit or loss of associates is shown on the face of the consolidated statement of profit and loss.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date, i.e., year ended on 31st March.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each balance sheet date, the Company determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/loss of associates' in the consolidated statement of profit and loss.

2.2 Recent pronouncements

Effective 1st April, 2020, there were certain amendments in Indian Accounting Standards (Ind AS) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 103 'Business Combinations', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 116 'Leases'.

Ind AS 1 has been modified to redefine the term 'Material' and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

Ind AS 103 dealing with 'Business Combination' has defined the term 'Business' to determine whether a transaction or event is a business combination.

Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with 'Leases' permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2.3 Revenue recognition

Contract with a customer is accounted for only when it has commercial substance and all of the following criteria are met:

(i) Parties to the contract have approved the contract and are committed to performing their respective obligations;

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

(ii) Each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) Consideration in exchange for the goods or service to be transferred is collectible and determinable.

(a) Revenue from operations

Revenue is measured based on the consideration specified in the contract with the customers and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over the goods or services have been transferred and/or goods /services are delivered/provided to the customers. Delivery occurs when the goods have been shipped or delivered to the specific location as the case may be and the customer has either accepted the goods under the contract or Company has sufficient evidence that all the criteria for acceptance have been satisfied. For further information, Refer to Note No. 36(11).

Returns, discounts and rebates as determined are deducted from sales.

(b) Other income

(i) Interest income

For all debt instruments measured at amortised cost, interest income is recognised using the Effective Interest Rate ("EIR"). Interest income is included in "Other Income" in the consolidated statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when Company's right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

(iii) Insurance claims

Insurance claims are accounted for based on claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.4 Property, plant and equipment ("PPE") and Capital work-in-progress ("CWIP")

(a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and the purchase cost of assets, including non-recoverable duties and taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets is capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

(b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to Company and it can be measured reliably.

The carrying amount of the replaced part is derecognised. The costs of regular servicing of property, plant and equipment are recognised in the consolidated statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for provisions are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components; otherwise, these are added to and depreciated over the useful life of the main asset.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or when no future economic benefits are expected to arise from the use of the asset and the resultant gains or losses are recognised in the consolidated statement of profit and loss.

(c) Property, plant and equipment includes Leasehold land classified as Right-of-use assets.

(d) Depreciation methods, estimated useful lives and residual value

Depreciation on items of property, plant and equipment commences when the assets are available for their intended use. It is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective

Note No. : 2 - Significant accounting policies *(contd...)*

asset specified under Schedule II to the Companies Act, 2013 except in respect of items of "Plant and Equipment" and "Vehicles" whose estimated useful lives are determined based on technical evaluation to reflect the actual usage of the assets and past history of replacement. The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

The estimated useful lives considered are as follows:

Category	31st March 2021
Buildings	03 - 60 years
Roads	03 - 10 years
Plant and equipment	05 - 25 years
Furniture and fixtures	10 years
Vehicles	05- 10 years
Office equipments	03 - 05 years
Computers	03 - 06 years
Electrical installation and equipment	05 - 10 years
Pipelines	15 years

Each item of property, plant and equipment individually costing ₹ 5000/- or less are depreciated over a period of one year from the date the said asset is available for use.

Leasehold land classified as 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.

The residual values of assets (individually costing more than ₹ 5000/-) is not more than 5% of the original cost of the asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(e) Expenditure during the construction period

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under Capital work-in-progress. Capital work-in-progress is stated at the amount incurred up to the balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

2.5 Intangible assets (Computer Software)

(a) Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset.

Intangible assets purchased are measured at cost as at the date of acquisition, less accumulated amortisation and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and acquisition price, license fees, non-refundable taxes and costs of implementation/system integration services and any directly attributable expenses, wherever applicable for bringing the asset to its working condition for the intended use.

(b) Amortisation methods, estimated useful lives and residual value

Computer software is amortised on a straight-line basis (without keeping any residual value) over its estimated useful lives of five years from the date they are available for use.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(c) The cost and related accumulated amortisation are eliminated from the consolidated financial statements upon sale or retirement

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

of the asset and the resultant gains or losses are recognised in the consolidated statement of profit and loss.

2.6 Inventories

(a) Inventories (other than By-products and scraps) are valued at lower of cost and net realizable value after providing for obsolescence if any.

Cost of inventory comprises of the purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories. The cost of inventories is computed on a weighted average basis.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(b) By-products and scraps are valued at net realizable value.

2.7 Biological assets

Biological assets comprise Standing crops (crops under development) of sugarcane.

The biological process starts with the preparation of land for planting, seedlings and ends with the harvesting of crops. When harvested, the cane is transferred to inventory at fair value less costs to sell or at cost whichever applicable.

For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation up to the balance sheet date.

2.8 Government grants

Government grants are recognised when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached to them.

Government grants related to property, plant and equipment, including non-monetary grants, are presented in the consolidated balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants of revenue in nature are recognised on a systematic basis in the consolidated statement of profit and loss over the period necessary to match them with the related costs and are adjusted with the related expenditure. If not related to a specific expenditure, it is considered as income and included under “Other Operating Revenue” or “Other Income”.

The benefit of a government loan at a below-market rate of interest or loan with interest subvention and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised on a systematic basis in the statement of profit and loss. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.9 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the consolidated statement of profit and loss in the period in which they are incurred.

2.10 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Note No. : 2 - Significant accounting policies *(contd...)*

The Company's lease asset class primarily consist of leases for land. At the inception of the contract, Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control 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) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, 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 or low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortised 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.

2.11 Provisions, contingent liabilities and contingent assets

(a) A provision is recognised if, as a result of a past event, Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset. The expense relating to the provision is presented in the consolidated statement of profit and loss, net of any reimbursement.

(b) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(c) A contingent asset is not recognised in the consolidated financial statements, however, it is disclosed, where an inflow of economic benefits is probable.

(d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12 Dividend payable

The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in Equity.

2.13 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding on the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the consolidated statement of profit and loss.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

2.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits, are recognised as an expense at the undiscounted amount in the consolidated statement of profit and loss in the year in which the related service is rendered.

(b) Defined contribution plans

The Company pays provident and other fund contributions to publicly administered fund as per related Government regulations.

The Company has no further obligation, other than the contributions payable to the respective funds. The Company recognizes contribution payable to such funds as an expense when an employee renders the related service.

(c) Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to "The Balrampur Sugar Company Limited Employees Gratuity Fund" ("the Trust"). Trustees administer contributions made to the Trust and contributions are invested through insurance companies.

The liability or asset recognised in the consolidated balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated by external actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

(d) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using the projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

Financial assets

(a) Initial recognition and measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate, on initial recognition.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Note No. : 2 - Significant accounting policies *(contd...)*

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: Unobservable inputs for the asset or liability.

(b) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) At amortised cost,

(ii) At fair value through other comprehensive income (FVTOCI), and

(iii) At fair value through profit or loss (FVTPL).

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are not classified in any of the categories above are fair value through profit or loss.

Equity investments

Equity investments in the scope of " Ind AS 109" are measured at fair value except for investment in associates which are carried at cost.

The Company makes an election to present changes in fair value either through OCI or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. Profit or loss arising on sale thereof is also taken to OCI and the amount accumulated in this respect is transferred within the Equity.

(c) De-recognition

Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

Financial liabilities

(a) Initial recognition and measurement

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments, etc.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

(b) Subsequent measurement

For subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities at amortised cost, and

(ii) Derivative instruments at fair value through profit or loss (FVTPL).

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

(c) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Initial recognition and subsequent measurement

A derivative financial instrument, such as foreign exchange forward contracts are used to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Equity share capital

Ordinary shares are classified as equity.

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares and buy-back of equity shares are recognised as a deduction from equity, net of any tax effects.

2.16 Impairment of Assets

(a) Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Note No. : 2 - Significant accounting policies *(contd...)*

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognised is reversed so that the asset is recognised at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognised.

(b) Financial assets

The Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognizes lifetime expected credit losses for trade receivables.

Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk of the financial asset has significantly increased since initial recognition.

2.17 Taxes

Income tax expense comprises current tax and deferred tax and is recognised in the consolidated statement of profit and loss except to the extent it relates to items directly recognised in Equity or other comprehensive income (OCI).

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and Equity are recognised in OCI and Equity respectively.

Management periodically evaluates positions taken in the tax returns to situations in which applicable tax regulations are subject to interpretation and full provisions are made where appropriate based on the amount expected to be paid to the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(b) Deferred income tax

Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the same will be reversed or sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 2 - Significant accounting policies *(contd...)*

(c) Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

2.18 Earnings per Share

(a) Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

(b) Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined at the end of each period presented.

The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected before the approval of the consolidated financial statements by the Board of Directors.

2.19 Segment reporting

Operating segments are identified and reported taking into account the different risk and return, organizational structure and internal reporting system to the Chief Operating Decision Maker.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques on hand, balance with banks, and short term liquid investments with an original maturity of three months or less and which carry an insignificant risk of changes in value.

2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note No. : 3 - Use of critical estimates, judgments and assumptions

The preparation of the consolidated financial statements in conformity with the measurement principle under Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical judgments and accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed herein below.

(i) Estimated useful life of property, plant and equipment

Property, plant and equipment 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 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

Note No. : 3 - Use of critical estimates, judgments and assumptions *(contd...)*

acquired and reviewed periodically including at each financial year end. The lives are based on technical evaluation, technological obsolesces and historical experience with similar assets as well as anticipation of future events, which may impact their lives. This re-assessment may result in a change in depreciation and amortization expense in future periods.

(ii) Current taxes and deferred taxes

Significant judgment is required in the determination of the taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes and option to be exercised for application of reduced rates of taxation on possible cessation of tax deduction and exhaustion of MAT credit entitlement in future years based on estimates of future taxable profits.

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that taxable profit would probably be available against which the losses could be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company reviews the carrying amount of deferred tax assets and liabilities at each balance sheet date with consequential change being given effect to in the year of determination.

(iii) Retirement benefit obligations

The Company's retirement benefit obligations cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at every financial year end.

(iv) Fair value measurements of financial instruments

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets are determined using valuation techniques including the Discounted Cash Flow (DCF) model. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions at regular intervals.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Provisions, contingent liabilities and contingent assets

The timing of recognition and quantification of the provisions, contingent liabilities and contingent assets require the application of judgment to existing facts and circumstances which are subject to change on the actual occurrence or happening. Judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company and possible inflow of resources in respect of the claims made by the Company which has been considered to be contingent in nature. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 4 - Property, plant and equipment and Capital work-in-progress

(₹ in Lacs)

Particulars	Property, plant and equipment													Capital work-in-progress @
	Land (Free hold)	Land (Lease hold)	Land (Right of use)	Buildings	Roads	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical installation and equipment	Pipelines	Total	
Gross block														
Gross carrying amount as at 1st April, 2020	**6648.92**	**-**	**634.93**	**41860.94**	**2369.44**	**129095.12**	**984.83**	**1694.33**	**220.00**	**890.77**	**15185.66**	**11504.01**	**211088.95**	**1239.64**
Additions during the year	5.80	-	182.13	2937.18	267.29	4171.93	243.11	286.16	58.08	176.24	445.64	295.40	9068.96	8232.34
Disposals/deductions during the year	50.05	-	232.39	68.07	-	187.63	14.22	154.25	11.53	28.25	5.68	25.25	777.32	8024.08
Gross carrying amount as at 31st March, 2021	**6604.67**	**-**	**584.67**	**44730.05**	**2636.73**	**133079.42**	**1213.72**	**1826.24**	**266.55**	**1038.76**	**15625.62**	**11774.16**	**219380.59**	**1447.90**
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2020	**-**	**-**	**35.95**	**6463.63**	**1312.70**	**28158.03**	**446.99**	**718.60**	**119.85**	**580.80**	**7162.81**	**3773.92**	**48773.28**	**-**
Depreciation/ amortisation for the year	-	-	24.37	1559.53	174.75	7062.56	104.99	286.55	36.44	124.64	849.03	928.00	11150.86	-
Disposals/deductions during the year	-	-	-	52.14	-	93.86	9.56	122.59	9.66	25.49	5.03	0.62	318.95	-
Accumulated depreciation / amortisation as at 31st March, 2021	**-**	**-**	**60.32**	**7971.02**	**1487.45**	**35126.73**	**542.42**	**882.56**	**146.63**	**679.95**	**8006.81**	**4701.30**	**59605.19**	**-**
Net carrying amount as at 31st March, 2021	**6604.67**	**-**	**524.35**	**36759.03**	**1149.28**	**97952.69**	**671.30**	**943.68**	**119.92**	**358.81**	**7618.81**	**7072.86**	**159775.40**	**1447.90**
Gross block														
Gross carrying amount as at 1st April, 2019	**6543.87**	**402.54**	**-**	**37692.52**	**1608.22**	**111152.89**	**826.83**	**1574.63**	**188.35**	**790.52**	**12115.37**	**8199.65**	**181095.39**	**4582.51**
Additions during the year	105.74	-	634.93	4262.31	761.22	18709.93	193.08	340.16	42.32	118.55	3072.20	3321.36	31561.80	24902.40
Disposals/deductions during the year	0.69	402.54	-	93.89	-	767.70	35.08	220.46	10.67	18.30	1.91	17.00	1568.24	28245.27
Gross carrying amount as at 31st March, 2020	**6648.92**	**-**	**634.93**	**41860.94**	**2369.44**	**129095.12**	**984.83**	**1694.33**	**220.00**	**890.77**	**15185.66**	**11504.01**	**211088.95**	**1239.64**
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2019	**-**	**25.66**	**-**	**5049.84**	**1225.32**	**21837.00**	**376.78**	**588.69**	**92.45**	**452.62**	**6480.09**	**2964.95**	**39093.40**	**-**
Depreciation/ amortisation for the year	-	-	10.29	1430.52	87.38	6504.01	94.33	275.49	34.69	143.09	682.76	811.09	10073.65	-
Disposals/deductions during the year	-	25.66	(25.66)	16.73	-	182.98	24.12	145.58	7.29	14.91	0.04	2.12	393.77	-
Accumulated depreciation / amortisation as at 31st March, 2020	**-**	**-**	**35.95**	**6463.63**	**1312.70**	**28158.03**	**446.99**	**718.60**	**119.85**	**580.80**	**7162.81**	**3773.92**	**48773.28**	**-**
Net carrying amount as at 31st March, 2020	**6648.92**	**-**	**598.98**	**35397.31**	**1056.74**	**100937.09**	**537.84**	**975.73**	**100.15**	**309.97**	**8022.85**	**7730.09**	**162315.67**	**1239.64**

@ Refer Note No. 4A

Footnotes:

a) Depreciation capitalised and transferred to Capital work-in-progress ₹ 1.39 Lacs (Previous year: ₹ 12.18 Lacs) - Refer Note No. 4A.

b) The finance costs on borrowings capitalised during the year amounted to ₹ Nil (Previous year: ₹ 20.47 Lacs) using the capitalisation rate of nil % (Previous year: 4.43%) per annum which is the effective interest rate on such borrowings.

c) The Company has availed loans from banks and other entities against security of the fixed assets (PPE) as referred in Note No. 19.

d) Disposals/deductions during the previous year include reclassification with respect to Right-of-use ("ROU") asset on implementation of "Ind AS" 116 with corresponding increase of such assets being shown under "Additions during the year" [Refer Note No. 36(13) for other disclosures].

e) Buildings include ₹ 1.66 Lacs (Previous year: ₹ 1.66 Lacs) being cost of 79833 (previous year 79833) equity shares of Fortuna Services Ltd.

Note No. : 4A - Capital work-in-progress

(₹ in Lacs)

Particulars		As at 31st March, 2021		As at 31st March, 2020	
Building, plant and equipment , electrical installations etc. in - progress					
Additions during the year			8149.17		24513.80
	(A)		**8149.17**		**24513.80**
Preoperative and trial run expenses					
Additions during the year :					
Cost of materials consumed			-		32.84
Employee benefits expense					
Salaries and wages		-		87.95	
Contribution to provident and other funds		-		7.99	
Staff welfare expense		-	-	1.37	97.31
Finance costs					
Interest [Refer Note No. 4(b)]			-		20.47
Depreciation expense			1.39		12.18
Other expenses					
Consumption of stores					
Other than process chemicals		-		0.09	
Power and fuel		-		25.55	
Insurance		-		1.15	
Rates and taxes (excluding taxes on income)		3.97		9.48	
Professional expenses		75.24		138.97	
Miscellaneous expenses		2.57	81.78	52.04	227.28
	(B)		**83.17**		**390.08**
Income during trial run :					
Inter division transfers					
Power			-		1.48
	(C)		**-**		**1.48**
Total additions during the year	**D= (A+B-C)**		**8232.34**		**24902.40**
Balance brought forward					
Building, plant and equipment , electrical installations etc. in - progress	**(E)**		1239.64		4582.51
	F = (D+E)		**9471.98**		**29484.91**
Capitalised during the year	**(G)**		8024.08		28245.27
Capital work-in-progress at the end of the year	**H= (F-G)**		**1447.90**		**1239.64**

Footnote:

During the year ended 31st March, 2020, the Company had commissioned on 12th January, 2020, 160 KLPD zero liquid discharge effluent waste distillery at Gularia unit along with 7.56 MW incineration boiler and corresponding cost included under (G) above had been capitalised and transferred to property, plant and equipment.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 5 - Intangible assets

(₹ in Lacs)

Particulars	Computer software (Acquired)
Gross block	
Gross carrying amount as at 1st April, 2020	556.10
Additions during the year	32.18
Disposals/deductions during the year	2.79
Gross carrying amount as at 31st March, 2021	**585.49**
Amortisation	
Accumulated amortisation as at 1st April, 2020	467.17
Amortisation for the year	38.16
Disposals/deductions during the year	2.79
Accumulated amortisation as at 31st March, 2021	**502.54**
Net carrying amount as at 31st March, 2021	**82.95**
Gross block	
Gross carrying amount as at 1st April, 2019	540.68
Additions during the year	15.42
Gross carrying amount as at 31st March, 2020	**556.10**
Amortisation	
Accumulated amortisation as at 1st April, 2019	386.92
Amortisation for the year	80.25
Accumulated amortisation as at 31st March, 2020	**467.17**
Net carrying amount as at 31st March, 2020	**88.93**

Note No. : 6 - Investment in associates accounted for using the equity method

(a) Break-up of investment in associates (Non-current)

(₹ in Lacs)

Particulars	Face value	Number of shares	As at 31st March, 2021	Number of shares	As at 31st March, 2020
Investment in Equity instruments					
Fully paid up :					
Unquoted					
Visual Percept Solar Projects Pvt. Ltd. ("VPSPPL")	₹10	7852500	8252.10	8914500	7707.34
Associate Company (w.e.f 24th January, 2017)					
[Refer Note no.36(15)]					
Auxilo Finserve Pvt. Ltd. ("AFPL")	₹10	155000000	16663.42	155000000	16166.51
Associate Company (w.e.f 20th March, 2018)					
[Refer Note no.36(16)]					
			24915.52		**23873.85**
Aggregate amount of quoted investments			Not applicable		Not applicable
Aggregate market value of quoted investments			Not applicable		Not applicable
Aggregate amount of unquoted investments			24915.52		23873.85
Aggregate amount of impairment in value of investments			Nil		Nil

Note No. : 6 - Investment in associates accounted for using the equity method *(contd...)*

(b) Details of the associates

The Group's interest in associates is accounted for using the equity method in the consolidated financial statements.

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31st March, 2021	As at 31st March, 2020
Visual Percept Solar Projects Pvt. Ltd.	Generation and sale of power	Mumbai, Surendranagar (Gujarat)	45.00%	45.00%
Auxilo Finserve Pvt. Ltd.	Financing activities in education sector in India	Mumbai	45.05%	45.05%

Summarised financial information of associates (₹ in Lacs)

Particulars	VPSPPL	
	As at 31st March, 2021	As at 31st March, 2020
Non-current assets	17130.05	18836.48
Current assets	1446.64	782.69
Non-current liabilities	206.39	1174.82
Current liabilities	32.31	1316.92
Net Assets for the purpose of consolidation	**18337.99**	**17127.43**

Summarised financial information of associates (₹ in Lacs)

Particulars	AFPL	
	As at 31st March, 2021	As at 31st March, 2020
Financial assets	66127.45	61207.68
Non-financial assets	825.48	933.90
Financial liabilities	29573.42	26120.51
Non-financial liabilities	126.52	135.36
Net Assets of associate	**37252.99**	**35885.71**
Consolidation adjustment	264.27	-
Net Assets for the purpose of consolidation	**36988.72**	**35885.71**

Summarised performance of associates (₹ in Lacs)

Particulars	VPSPPL		AFPL	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue	5601.47	5397.61	7509.91	5320.31
Profit before tax	3482.04	1345.03	1319.28	616.01
Tax expenses	(385.93)	28.63	357.05	238.83
Profit after tax	3867.97	1316.40	962.23	377.18
Other comprehensive income - gain/(loss)	0.21	(1.33)	0.02	(0.72)
Total comprehensive income - gain	3868.18	1315.07	962.25	376.46
Company's proportionate share of Profit for the year *	**1462.86**	**592.38**	**496.91**	**188.28**
Company's proportionate share of Other comprehensive income for the year	**0.10**	**(0.60)**	**0.01**	**(0.36)**

*net of expenses and tax paid on buy-back of shares and adjustment pertaining to employee stock options.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 6 - Investment in associates accounted for using the equity method *(contd...)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

(₹ in Lacs)

Particulars	VPSPPL		AFPL	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Net assets of the associate	18337.99	17127.43	36988.72	35885.71
Proportion of the Group's ownership interest	45.00%	45.00%	45.05%	45.05%
Group's share of net assets	**8252.10**	**7707.34**	**16663.42**	**16166.51**

Note No. : 7 - Other investments (Current)

(₹ in Lacs)

Particulars	Face value	Number of debentures	As at 31st March, 2021	Number of debentures	As at 31st March, 2020
Investment in Debentures (Measured at amortised cost)					
Fully paid up :					
Unquoted					
Investment in associate *					
Visual Percept Solar Projects Pvt. Ltd. #	₹100	-	-	455625	564.58
			-		**564.58**
Aggregate amount of unquoted investment			-		564.58
Aggregate amount of impairment in value of investment			-		Nil
Aggregate amount of investment carried at amortised cost			-		564.58

* Current maturities of non-current investment

Redeemed during the year

Note No. : 8 - Trade receivables *(carried at amortised cost)*

(i) Non-current *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade receivables				
Credit impaired		97.63		97.63
Less : Allowance for impaired receivables		97.63		97.63
		-		**-**

(ii) Current *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade receivables		24546.35		23928.87
		24546.35		**23928.87**

Note No. : 9 - Other financial assets *(carried at amortised cost)*

(i) Non-current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Security deposits		100.12		92.41
Fixed deposits with banks				
(With more than 12 months maturity)				
For Molasses storage fund (Earmarked)	-		0.97	
With Excise authorities (Pledged)	106.19	106.19	105.17	106.14
Interest accrued but not due on				
Fixed deposits with banks		7.90		5.58
		214.21		**204.13**

(ii) Current *(Unsecured, considered good unless stated otherwise)* (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advance to employees		183.84		182.20
Claims receivable*		9357.06		29597.40
Interest accrued but not due on				
Fixed deposits with banks	1.60		2.64	
Other deposits	1.29	2.89	3.25	5.89
Others#		3.81		-
		9547.60		**29785.49**
* Includes claim for subsidy [Refer Note No. 36(8)]				
# Due from an Associate Company		3.32		-

Note No. : 10 - Non-current tax assets (net)

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advance tax		58073.70		48027.66
Less : Provision for taxation		57432.32		47187.39
		641.38		**840.27**

Note No. : 11 - Other non-current assets *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Capital advances		565.36		70.26
Advances other than capital advances				
Other advances				
Advances to suppliers and others				
Considered doubtful	9.31		10.33	
Less: Allowance for bad and doubtful advances	9.31	-	10.33	-
Others				
Prepaid expenses	74.49		93.93	
Duties and taxes paid under protest	238.39	312.88	319.35	413.28
		878.24		**483.54**

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 12 - Inventories

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Raw materials	9425.82		6941.76	
Add : Goods-in-transit	7.19	9433.01	31.12	6972.88
Packing materials		322.40		382.59
Work-in-progress				
Sugar	1770.53		3319.55	
Molasses	284.82	2055.35	342.54	3662.09
Finished goods				
Sugar	201416.00		196201.76	
Industrial alcohol	5015.23		3554.70	
Banked power	163.23		168.78	
Others	61.19		64.78	
	206655.65		199990.02	
Add : Goods-in-transit	449.19	207104.84	2617.06	202607.08
Stores and spares	6344.32		6066.03	
Add : Goods-in-transit	106.88		125.81	
	6451.20		6191.84	
Less: Provision for obsolescence /non-moving stores and spares [Refer Note No. 33]	-	6451.20	100.92	6090.92
Loose tools		0.16		0.16
By-products		12452.04		9759.90
Scrap		26.71		21.51
		237845.71		**229497.13**
Footnotes:				
(i) Carrying amount of inventories pledged as security for borrowings (Refer Note No. 19 for charge created/security terms against borrowings)		231514.28		225053.87
(ii) Refer Note No. 2.6 for mode of valuation				

Note No. : 13 - Biological assets

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Reconciliation of changes in book value of biological assets:				
Opening balance		12.50		17.49
Additions during the year		28.72		25.57
Decrease due to harvested sugarcane transferred to inventory *		35.14		30.56
Closing balance		**6.08**		**12.50**

* Includes sugarcane captively consumed

Note No. : 14 - Cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Balances with banks				
Current accounts		10.07		46.72
Cash on hand		34.60		102.52
		44.67		**149.24**

Note No. : 15 - Bank balances other than cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Earmarked balances				
Fixed deposits for molasses storage fund				
Original maturity period up to 12 months		51.02		98.80
Unpaid dividend accounts		153.94		193.56
Fixed deposits pledged with excise authorities				
Current portion of original maturity period more than 12 months	-		0.02	
Original maturity period up to 12 months	0.16	0.16	-	0.02
Other bank balances *		30.10		23.96
		235.22		**316.34**

* Balances in subsidy accounts and escrow accounts for cane price payment

Note No. : 16 - Other current assets *(Unsecured, considered good unless stated otherwise)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Advances other than capital advances				
Other advances				
Advances to suppliers and others	942.06		661.10	
Income tax refundable	-		4798.53	
GST, VAT and other taxes / duties	703.66	1645.72	496.10	5955.73
Others				
Prepaid expenses	1540.89		945.42	
Interest accrued on income tax refund	-		455.86	
Miscellaneous	25.37	1566.26	25.38	1426.66
		3211.98		**7382.39**

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 17 - Share capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
(a) Authorised				
Equity shares of ₹ 1/- each	400000000	4000.00	400000000	4000.00
Preference shares of ₹ 100/- each	2500000	2500.00	2500000	2500.00
		6500.00		**6500.00**
(b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1/- each	210000000	2100.00	220000000	2200.00
		2100.00		**2200.00**

Issue of 16910 (Previous year: 16910) equity shares on Right basis has been kept in abeyance in view of pending disputes.

(c) Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
At the beginning of the year	220000000	2200.00	228438327	2284.38
Less: buy-back of shares [Refer Note No. 36(4)]	10000000	100.00	8438327	84.38
At the end of the year	**210000000**	**2100.00**	**220000000**	**2200.00**

(d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholders holding more than 5% of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Mr. Vivek Saraogi	34339303	16.35	35869184	16.30
Ms. Sumedha Saraogi	22043079	10.50	23027099	10.47
Nippon Life India Trustee Ltd. A/c Nippon India (under various funds)	10607029	5.05	9072027	4.12

(g) The aggregate number of equity shares bought back in immediately preceding last five years ended 31st March, 2021 - 35038327 equity shares (previous period of five years ended 31st March, 2020 - 25038327 equity shares).

Note No. : 18 - Other equity

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
A. Reserves and surplus				
(a) Capital reserve				
Balance as per last account		3184.58		3184.58
(b) Securities premium				
Balance as per last account	9819.98		24587.05	
Less : Utilised on buy-back of equity shares [Refer Note No. 36(4)]	9719.98		14682.69	
Less: Transfer to capital redemption reserve on buy-back of equity shares [Refer Note No. 36(4)]	100.00	-	84.38	9819.98
(c) Capital redemption reserve				
Balance as per last account	2904.48		2820.10	
Add: Transfer from securities premium on buy-back of equity shares [Refer Note No. 36(4)]	100.00	3004.48	84.38	2904.48
(d) Storage fund for molasses				
Balance as per last account	87.19		39.85	
Add: Created during the year	55.73		47.34	
Less: Written back during the year	106.83	36.09	-	87.19
(e) General reserve				
Balance as per last account	110000.00		90000.00	
Add: Transfer from Retained earnings	40000.00	150000.00	20000.00	110000.00
(f) Retained earnings				
Balance as per last account	113373.24		88863.14	
Add: Profit for the year	47979.00		51935.44	
Add: Transfer from other comprehensive income	(55.62)		(689.56)	
Less: Transfer to General reserve	40000.00		20000.00	
Less : Utilised on buy-back of equity shares [Refer Note No. 36(4)]	8180.02		-	
Less: Tax on buy-back of equity shares [Refer Note No. 36(4)]	4193.28		-	
Less: Buy-back expenses [net of tax ₹ 44.95 Lacs (Previous year: ₹56.53 Lacs)] [Refer Note No. 36(4)]	83.69		105.24	
	108839.63		120003.78	
Less: Interim dividend paid during the year [Refer Note No. 36(20)(b)]	5250.00		5500.00	
Less: Tax on interim dividend paid during the year [Refer Note No. 36(20)(b)]	-	103589.63	1130.54	113373.24
(A)		**259814.78**		**239369.47**
B. Other comprehensive income				
Balance as per last account	-		-	
Add: Other comprehensive income for the year	(55.62)		(689.56)	
Less: Transfer to Retained earnings	(55.62)	-	(689.56)	-
(B)		**-**		**-**
C = (A + B)		**259814.78**		**239369.47**

Footnotes:

i) Capital reserves comprise of reserve arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court.

ii) Capital redemption reserve is created consequent to redemption of preference share capital and buy-back of equity shares. This reserve shall be utilised in accordance with the provisions of the Act.

iii) Securities premium is used to record the premium on issue of shares. The reserve has been utilised in accordance with the provisions of the Act.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 18 - Other equity *(contd...)*

iv) The general reserve represents amount transferred out of the profits of the Company and reserve aggregating to ₹ 4224.23 Lacs (Previous year: ₹ 4224.23 Lacs) arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court. It is not earmarked for any specific purpose.

v) The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974. During the year ended 31st March, 2021, ₹ 106.83 Lacs was utilised from the fund and credited to the Statement of Profit and Loss. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹ 51.02 Lacs (Previous year: ₹ 99.77 Lacs). [Refer Note No. 9(i) and Note No.15].

vi) Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.

vii) Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation and gain or loss on non-current equity investments.

Note No. : 19 - Borrowings (carried at amortised cost)

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Term loans				
From banks				
Secured				
Rupee loans:				
ICICI Bank Ltd. (ICICI) (Acting as an agent on behalf of Government of Uttar Pradesh) [Refer Footnote (a)(i) below]	14960.84		21279.87	
ICICI Bank Ltd. (ICICI) [Refer Footnote (a)(ii) below]	3750.00		5000.00	
HDFC Bank Ltd. (HDFC) [Refer Footnote (a)(iii) below]	5516.50	24227.34	7522.50	33802.37
Long term maturities of lease obligation				
Unsecured [Refer Note No. 36(13)]		100.18		223.75
		24327.52		**34026.12**

a) **Nature of securities for the aforesaid borrowings including Current maturities of long term debt [Refer Note No.20] and Deferred income [Refer Note No. 21]:**

i) Rupee Term Loan from Government of Uttar Pradesh amounting to ₹23730.27 Lacs (Previous Year: ₹ 31031.89 Lacs) under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government is secured by pari passu first charge, by way of hypothecation of of all the movable fixed assets (PPE), both present and future, pertaining to seven cogeneration units of the Company viz. Balrampur, Babhnan, Haidergarh, Akbarpur, Mankapur, Kumbhi and Gularia.

ii) Rupee Term Loan from ICICI amounting to ₹ 5000.00 Lacs (Previous year: ₹ 5000.00 Lacs) under the Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets (PPE), both present and future, pertaining to Gularia distillery unit of the Company.

iii) Rupee Term Loan from HDFC amounting to ₹ 7522.50 Lacs (Previous year: ₹ 8024.00 Lacs) under the Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets (PPE), both present and future, pertaining to Gularia distillery unit of the Company.

iv) Rupee Term Loan from Government of India, Sugar Development Fund amounting to ₹ Nil (Previous year: ₹ 533.40 Lacs) was secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Rauzagaon. The said amount has been fully repaid during the year.

v) Release of securities in respect of long-term loans fully repaid by the Company is in progress.

Note No. : 19(i) - Borrowings *(contd...)*

b) Terms of Repayment:

(₹ in Lacs)

	Lender of Loan	Rate of Interest (ROI) (%)	Amount outstanding as at 31st March, 2021		Amount outstanding as at 31st March, 2020		Period of maturity w.r.t. the Balance Sheet date as at 31st March, 2021	Number of installments outstanding as at 31st March, 2021	Amount of each installment (₹ in Lacs)	Details of security offered
			Current (₹ in Lacs) [Refer Note No. 20]	Non-current (₹ in Lacs)	Current (₹ in Lacs) [Refer Note No. 20]	Non-current (₹ in Lacs)				
1	**ICICI Bank Ltd.** (Acting as an agent on behalf of Government of Uttar Pradesh)	5% p.a. (Fixed)*	7301.62	14960.84 ^	7301.63	21279.87	3 years 3 months and 3 days	39 (payable monthly)	608.47	Refer Note No. 19 (i) (a) (i) above
		Sub - Total	**7301.62**	**14960.84**	**7301.63**	**21279.87**				
2	**ICICI Bank Ltd.**	ICICI one year MCLR (Previous year: ICICI one year MCLR + 0.70%)	1250.00	3750.00	-	5000.00	3 years 8 months and 30 days	4 (payable annually)	1250.00	Refer Note No. 19 (i) (a)(ii) above
		Sub - Total	**1250.00**	**3750.00**	**-**	**5000.00**				
3	**HDFC Bank Ltd.**	HDFC one year MCLR (Previous year: HDFC one year MCLR + 0.60%)	2006.00	5516.50	501.50	7522.50	3 years 8 months and 30 days	15 (payable quarterly)	501.50	Refer Note No. 19 (i) (a) (iii) above
		Sub - Total	**2006.00**	**5516.50**	**501.50**	**7522.50**				
4	**Government of India, Sugar Development Fund**	N.A.	-	-	533.40	-	-	-	-	Refer Note No. 19 (i) (a) (iv) above
		Sub - Total	**-**	**-**	**533.40**	**-**				
		Grand Total	**10557.62**	**24227.34**	**8336.53**	**33802.37**				

* Rate of interest has been fixed by the Government of Uttar Pradesh @5% for entire tenure of the loan under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2018 of Uttar Pradesh Government.

^ Excluding ₹ 1467.81 Lacs (Previous year: ₹ 2450.40 Lacs) on account of effective interest rate adjustment being taken to Deferred income.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 19 - Borrowings *(contd...)*

ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
Rupee loans				
State Bank of India (SBI)	48875.02		46889.20	
HDFC Bank Ltd. (HDFC)	31262.68		20000.72	
Kotak Mahindra Bank Ltd. (KOTAK)	8998.57		9255.44	
ICICI Bank Ltd. (ICICI)	-		14723.84	
Bank of Baroda (BOB)	-	89136.27	15000.00	105869.20
		89136.27		**105869.20**

Nature of securities :

a) Working capital loans from banks (viz: SBI, HDFC, KOTAK, ICICI and BOB) are secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with each of them.

b) Working capital loan from SBI is additionally secured by way of exclusive hypothecation of entire current assets of all the cogeneration units of the Company.

Note No. : 20 - Other financial liabilities *(carried at amortised cost)*

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Current maturities of long - term debt *		10557.62		8336.53
Current maturities of lease obligation		16.63		16.63
Interest accrued but not due on borrowings		326.06		660.97
Unpaid dividend @		153.94		193.56
Other payables				
Retention monies	1140.94		1615.33	
Security deposits	264.55		1832.06	
Accrued expenses	179.91		188.23	
Accrued salaries and other payroll dues	3352.19		3568.33	
Others	99.90	5037.49	172.12	7376.07
		16091.74		**16583.76**

* Refer Note No. 19 (i) (a) and (b) for nature of securities and terms of repayment respectively.

@ There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date.

Note No. : 21 - Deferred income

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Opening balance		2450.40		3640.78
Less: Transferred to the Statement of Profit and Loss		982.59		1190.38
Closing balance		**1467.81**		**2450.40**
Current		750.15		982.59
Non - current		717.66		1467.81

[Refer Note No. 36(8) for other disclosures]

Note No. : 22 - Provisions

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Provision for employee benefits - unavailed leave [Refer Note No. 36(9)]		820.85		672.10
		820.85		**672.10**

(ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Provision for employee benefits [Refer Note No. 36(9)]				
Unavailed leave	493.59		438.83	
Gratuity	41.67	535.26	1584.12	2022.95
Other provisions				
Provision for contingencies [Refer Note No. 36(2)]		0.42		0.42
		535.68		**2023.37**

Note No. : 23 - Deferred tax liabilities (net)

As at 31st March, 2021 (₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in equity	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and Intangible assets	21810.90	1014.77	-	-	22825.67
Investments	1404.99	267.20	-	0.02	1672.21
	23215.89	**1281.97**	**-**	**0.02**	**24497.88**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses/unabsorbed depreciation	39.40	28.67	-	-	68.07
Expenses allowable on payment basis	173.14	48.71	-	-	221.85
MAT credit entitlement	19222.09	(1474.48)	44.95	14.96	17807.52
	19434.63	**(1397.10)**	**44.95**	**14.96**	**18097.44**
Net deferred tax liabilities / expense	**3781.26**	**2679.07**	**(44.95)**	**(14.94)**	**6400.44**

As at 31st March, 2020 (₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in equity	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and Intangible assets	27481.87	(5670.97)	-	-	21810.90
Investments	1196.84	208.37	-	(0.22)	1404.99
	28678.71	**(5462.60)**	**-**	**(0.22)**	**23215.89**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses/unabsorbed depreciation	231.81	(192.41)	-	-	39.40
Expenses allowable on payment basis	337.83	(164.69)	-	-	173.14
VRS expenses	28.64	(28.64)	-	-	-
MAT credit entitlement	19187.71	(237.12)	56.53	214.97	19222.09
	19785.99	**(622.86)**	**56.53**	**214.97**	**19434.63**
Net deferred tax liabilities / expense	**8892.72**	**(4839.74)**	**(56.53)**	**(215.19)**	**3781.26**

The ultimate realisation of the deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income. Deferred tax assets including MAT credit entitlement is recognised on management's assessment of reasonable certainty for reversal/ utilisation thereof against future taxable income.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 23 - Deferred tax liabilities (net) *(contd...)*

According to the provisions of section 115BAA of the Income Tax Act 1961, as announced by the Taxation Laws (Amendment) Ordinance 2019 and promulgated as the Taxation Laws (Amendment) Act, 2019 enacted on 11th December 2019 with effect from 1st April 2019, domestic companies have an option to pay income tax at 22% plus applicable surcharge and cess ("the concessional rate") by foregoing certain exemptions/ deductions ('the new tax regime') as specified in the said section.

Accordingly, during the previous year ended 31st March, 2020, deferred tax liabilities (net) was re-measured and the Company recognised deferred tax income amounting to ₹ 7522.77 Lacs on account of the re- measurement of deferred tax liabilities that were expected to be reversed consequent to adoption of lower tax rate post switchover to the new tax regime.

Based on the assessment of the possible impact of the new tax regime, the Company has decided to continue with existing normal tax structure till certain deductions are available and accumulated Minimum Alternate Tax (MAT) credit is substantially exhausted and thereafter, to opt for the concessional rate under new tax regime as stated above.

Note No. : 24 - Trade and other payables

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Trade payables				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 36(5)]		128.75		203.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		59174.93		66790.75
		59303.68		**66994.50**
Other payables				
Payable to suppliers of capital goods				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 36(5)]		26.46		8.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		314.48		792.01
		340.94		**800.68**
		59644.62		**67795.18**

Note No. : 25 - Other current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Other advances				
Advances from customers		295.06		3216.45
Others				
Statutory liabilities	1909.32		2371.49	
Others *	849.12	2758.44	323.77	2695.26
		3053.50		**5911.71**

* Includes interest accrued relating to micro enterprises and small enterprises [Refer Note No. 36(5)]

Note No. : 26 - Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Sale of goods				
Domestic sales				
Sugar	362522.05		365701.47	
Industrial alcohol	81999.38		54530.76	
Power	13523.73		16160.76	
Bagasse	5585.46		7270.67	
Others	3620.38	467251.00	2594.85	446258.51
Other operating revenue				
Government grants [Refer Note No. 36(8)]				
Insurance and storage charges on buffer stock	216.25		555.70	
Export incentive and assistance	13698.45		27225.08	
Re-imbursement of transportation expenses for export	-	13914.70	90.11	27870.89
		481165.70		**474129.40**

[Refer Note No. 36(11) for other disclosures]

Note No. : 27 - Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Interest income on financial assets carried at amortised cost				
Non-current investments				
Debentures	19.46		284.93	
National saving certificates	-		0.37	
	19.46		285.30	
Deposit with banks and others	14.73	34.19	15.34	300.64
Interest income on income tax refund		-		455.86
Gain on sale of highly liquid investments (treated as cash equivalent)		630.42		836.60
Gain on deemed disposal of investment in associate [Refer Note No. 36(16)]		-		532.51
Gain on buy-back of shares of associate [Refer Note No. 36(15)]		101.31		-
Other non-operating income				
Net gain on foreign currency transactions and translations	-		1.92	
Insurance claims	419.80		237.11	
Liabilities no longer required written back	321.22		713.73	
Profit on sale/discard of property, plant and equipment (net)	83.57		476.28	
Recovery towards written off balances	0.07		4.84	
Provision for doubtful advances written back	1.02		6.00	
Storage fund for molasses written back [Refer Note No. 18 (v)]	106.83		-	
Miscellaneous	993.67	1926.18	821.69	2261.57
		2692.10		**4387.18**

Note No. : 28 - Cost of materials consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Sugarcane *		351537.66		344149.85
Others #		(351.52)		2265.96
		351186.14		**346415.81**

* Refer Note No. 36(8) (a) (i) for adjustments of government grants

Includes differential impact of opening and closing inventories of raw materials

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 29 - Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Finished goods				
Opening stock				
Sugar	198648.63		209249.90	
Industrial alcohol	3716.67		549.68	
Banked power	168.78		81.29	
Others	73.00	202607.08	6.34	209887.21
Less : Closing stock				
Sugar	201416.00		198648.63	
Industrial alcohol	5464.42		3716.67	
Banked power	163.23		168.78	
Others	61.18	207104.83	73.00	202607.08
Less: Power used during the trial run of capital projects		-		12.93
(Increase)/Decrease (A)		**(4497.75)**		**7267.20**
By-products				
Opening stock		9759.90		5895.37
Less : Closing stock		12452.04		9759.90
Less: Bagasse used during the trial run of capital projects		-		32.84
(Increase) (B)		**(2692.14)**		**(3897.37)**
Work- in-progress				
Opening stock				
Sugar	3319.55		3707.98	
Molasses	342.54	3662.09	317.82	4025.80
Less : Closing stock				
Sugar	1770.53		3319.55	
Molasses	284.82	2055.35	342.54	3662.09
Decrease (C)		**1606.74**		**363.71**
(Increase)/Decrease D = (A + B + C)		**(5583.15)**		**3733.54**

Note No. : 30 - Employee benefits expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Salaries and wages		25065.66		22547.21
Contribution to provident, gratuity and other funds		2850.53		2456.45
Staff welfare expense		260.14		399.90
		28176.33		25403.56
Less: Recovery towards deputation of employee [Refer Note No. 36(10)]		11.34		3.95
		28164.99		**25399.61**

Note No. : 31 - Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Interest				
On long term borrowings [Refer Note No. 36(8)]	1906.20		1874.94	
On short term borrowings [Refer Note No. 36(8)]	1949.39		4452.22	
Others *	34.46	3890.05	52.74	6379.90
Other borrowing costs		39.54		37.12
		3929.59		**6417.02**
* Includes interest on statutory dues		0.81		4.33
* Includes interest on shortfall in payment of advance income-tax		17.17		21.94

Note No. : 32 - Depreciation and amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Depreciation and amortisation of property, plant and equipment [Refer Note No. 4]		11149.48		10061.48
Amortisation of intangible assets [Refer Note No. 5]		38.16		80.25
		11187.64		**10141.73**

Note No. : 33 - Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Consumption of stores				
Process chemicals	3656.00		2884.53	
Others	263.78	3919.78	258.28	3142.81
Packing materials		3886.64		3729.91
Power and fuel		235.98		404.05
Rent		70.09		68.64
Repairs				
Buildings	711.39		320.36	
Machinery	6994.33		6660.77	
Others	218.75	7924.47	187.67	7168.80
Insurance		1080.43		775.21
Rates and taxes (excluding taxes on income)		569.16		508.17
Commission to non-executive directors		96.80		92.20
Directors' fees		25.40		25.80
Payments to auditors				
For statutory audit	52.50		45.00	
For other services (Limited reviews and certifications)	21.00		21.00	
For reimbursement of expenses	1.90	75.40	-	66.00
Cost audit fees		4.00		3.50
Professional expenses #		5423.86		606.75
Freight and handling expenses		5646.68		6100.01
Brokerage and commission		568.12		587.25
Charity and donation		55.51		20.36
Corporate social responsibility expense [Refer Note No. 36(6)]		1067.55		1092.89
Miscellaneous expenses		5234.89		5477.03
Claims receivable written off		-		262.94
Sundry debit balances/advances written off		36.33		196.59
Payment towards balances earlier written back		0.91		3.70
Transfer to storage fund for molasses		55.73		47.34
Obsolete stores and spares written off	137.59		-	
Less: Provision for obsolescence /non-moving stores and spares written back	100.92	36.67	-	-
Provision for obsolescence /non-moving stores and spares		-		3.56
		36014.40		**30383.51**
# Includes expenses incurred towards export under MAEQ		4930.55		153.41

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 34 - Tax expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Current tax		10259.89		9710.33
Deferred tax [Refer Note No. 23]		2679.07		(4839.74)
		12938.96		**4870.59**
Reconciliation of Tax Expense				
Profit before tax		60917.96		56806.03
Applicable tax rate (using the Company's tax rate)		34.944%		34.944%
Computed tax expense (A)		**21287.17**		**19850.30**
Adjustments for:				
Income exempt for tax purpose		(35.40)		-
Expenses not allowed for tax purpose		176.12		270.16
Effect of tax deductions		(6988.80)		(5940.48)
Changes in recognised deductible temporary differences		60.56		(7460.30)
Effect of transition adjustment under MAT		(24.53)		(24.53)
MAT credit entitlement		(1156.62)		(1671.60)
Share of profit in associates		(379.54)		(152.96)
Net adjustments (B)		**(8348.21)**		**(14979.71)**
Tax Expense C=(A+B)		**12938.96**		**4870.59**

Note No. : 35 - Other comprehensive income

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit plan	(85.63)		(1170.37)	
Equity Instruments through Other comprehensive income	-		72.57	
Share of Other comprehensive income in associates, to the extent not to be classified into profit or loss	0.11	(85.52)	(0.96)	(1098.76)
Less: Income tax relating to items that will not be reclassified to profit or loss		29.90		409.20
		(55.62)		**(689.56)**

Note No. : 36 - Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities :

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Claims against the Company not acknowledged as debts :		
	- Sales tax demand- under appeal	10.23	10.23
	- Others - under appeal/litigation	233.94	235.71
		244.17	**245.94**
(ii)	Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is subjudice	Amount not ascertainable	Amount not ascertainable

Also refer Note No. 36(3) (b) for availment of remission of taxes and levies pending final decision at the Hon'ble Supreme Court on the matter.

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals/litigations.

(b) Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1901.37	984.86
(ii)	Advance paid against above	565.36	70.26

2. Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent liabilities and Contingent assets :

(a) Provision for contingencies

(i) Provisions for contingencies represent provision towards various claims made/anticipated in respect of litigation claims against the Company based on the Management's assessment.

(ii) **Movement in Provision for contingencies:** (₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
As per last account	0.42	0.42
	0.42	**0.42**
- Current	0.42	0.42
- Non-current	-	-

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals. The Company does not expect any reimbursement in respect of above provisions.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

(b) Contingent assets

During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances. Also refer Note No. 36(3)(a) in this respect.

3. a) The Hon'ble High Court at Allahabad, Lucknow Bench, vide its order dated 12th February, 2019 ("Order") had quashed the G.O. dated 4th June, 2007, vide which the Sugar Industry Promotion Policy 2004 ("SIPP") was withdrawn, and held that the petitioner companies were entitled to all the benefits for the entire period of the validity of SIPP. Consequent to this, the Company in respect of its capital projects and expansions during the period from 2004 to 2008 is entitled to the capital subsidy, reimbursement of certain expenses, remission of certain taxes and levies under the provision of the said policy.

The State Government of Uttar Pradesh and others have filed Special Leave Petitions challenging the said Order before the Hon'ble Supreme Court of India and the cases are pending for hearing as on 31st March, 2021. Pending this, the Company's claim for reimbursement of ₹ 33654.94 Lacs and capital subsidy of ₹ 13137.77 Lacs pursuant to SIPP being contingent in nature, has not been recognised.

(b) In terms of SIPP, the Company availed remission of taxes and levies, namely, Entry Tax on Sugar, Trade Tax on Molasses and Cane Purchase Tax, Stamp duty and registration charges on purchase of land aggregating to ₹ 11278.45 Lacs in earlier years. These remissions were availed pursuant to protection earlier provided by the Hon'ble High Court at Allahabad, which has been confirmed pursuant to the Order of the said court as given in Note No. 36(3)(a) above.

In the assessment of Entry Tax on Sugar and Trade Tax on Molasses relating to four sugar units, namely, Akbarpur, Mankapur, Kumbhi and Gularia aggregating to ₹ 6300.63 Lacs (including ₹ 26.62 Lacs pertaining to the year 2017-18, from April 2017 to June 2017, determined during the year ended 31st March, 2020) has been assessed, though these units are also eligible for the remission under the SIPP. However, no demand has been raised and pursued against the Company in view of the protection by the Hon'ble High Court as aforesaid. Since these units are eligible for incentive under SIPP and no demand has yet been raised against the Company, the aforesaid amount of ₹ 6300.63 Lacs has not been considered as contingent liability.

(c) Uttar Pradesh Electricity Regulatory Commission vide notification dated 25th July, 2019 reduced the power purchase rates of bagasse-based power plants w.e.f. 1st April, 2019 and revenue in this respect has accordingly been recognised at such reduced rates. The Uttar Pradesh Cogen Association has filed a writ petition, challenging the reduction in power rates before Hon'ble High Court at Allahabad which has been admitted. Hearing for the same is scheduled for 14th July 2021.

4. During the year ended 31st March, 2021, the Company had undertaken a Buy-back of 10000000 equity shares of the Company, through the "Tender Offer" route using the Stock Exchange Mechanism, for an aggregate amount of ₹ 18000.00 Lacs (being 7.87% of the total paid-up equity share capital and free reserves of the Company as on 31st March, 2020), at a price of ₹ 180/- per equity share on a proportionate basis in accordance with the provisions contained in the Companies Act, 2013 (as amended), rules made thereunder, the SEBI (Buy-back of Securities) Regulations, 2018 and other applicable circulars, clarifications and notifications and the settlement in respect of share bought back have been completed on 05th August, 2020. Formalities pertaining to extinguishment of the shares bought back were completed on 12th August, 2020.

Consequent to the said buy-back, the equity share capital has been reduced by ₹ 100.00 Lacs and an amount equivalent to the face value of equity shares bought back has been transferred from Securities premium to Capital redemption reserve. Differential amount of ₹ 17900.00 Lacs with respect to aggregate consideration in excess of face value of the equity shares bought back has been adjusted to the extent of ₹ 9719.98 Lacs from Securities premium and balance of ₹ 8180.02 Lacs from Retained earnings. Further, various costs aggregating to ₹ 83.69 Lacs (net of tax of ₹ 44.95 Lacs) incurred for the same and the taxation on buy-back amounting to ₹ 4193.28 Lacs have also been adjusted from Retained earnings.

Note No. : 36 - Other disclosures *(contd...)*

5. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

As at 31st March, 2021: (₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	128.75	26.46	155.21
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.48	-	0.48
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	4.97	0.03	5.00
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.53	-	1.53
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year #	2.01	-	2.01
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 24.

Included in the line item "Others" under Note No. 25.

As at 31st March, 2020: (₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	203.75	8.67	212.42
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-	-
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	1.97	1.30	3.27
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	4.97	0.03	5.00
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year #	4.97	0.03	5.00
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 24.

Included in the line item "Others" under Note No. 25.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

6. Expenditure on Corporate Social Responsibility (CSR) activities :

(a) Details of CSR expenditure:

(₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Gross amount required to be spent by the Company during the year	965.94	1092.67
(ii)	Amount approved by the Board to be spent during the year	1078.00	1092.75
(iii)	Amount spent during the year :		
	a) Construction/acquisition of any asset		
	- in cash	36.89	-
	- yet to be paid in cash	-	-
	b) On purposes other than (a) above		
	- in cash	1030.66	1092.89
	- yet to be paid in cash	-	-

(b) CSR expenditure under various heads

The CSR activities of the Company are focused on sustainable livelihood, education including skill development for women empowerment; healthcare, sanitation and safe drinking water; rural development; environment sustainability and disaster management. In line with CSR commitment, the Company spent ₹ 1067.55 Lacs (Previous Year: ₹ 1092.89 Lacs) towards its CSR interventions.

For further disclosures on CSR, Refer "Annexure IV - The Annual Report on CSR Activities for Financial Year ended 31st March, 2021" forming part of Report of the Board of Directors for the year ended 31st March, 2021.

(c) Details of Excess amount spent

(₹ in Lacs)

Particulars	Amount
Balance as at 1st April, 2020	-
Amount required to be spent during the year	965.94
Amount spent during the year	1067.55
Excess balance as at 31st March, 2021	**101.61**
- To be carried forward for next year	101.61
- Not to be carried forward for next year	-

Since, the disclosure requirement is applicable from year ended 31st March 2021, therefore, comparative figures for previous year ended 31st March,2020 not applicable, hence, not disclosed.

7. Earnings per share - The numerators and denominators used to calculate Basic and Diluted earnings per share

Sl. No.	Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Amount used as the numerator			
	Profit after Tax (₹ in Lacs)	(A)	47979.00	51935.44
(ii)	Weighted average number of equity shares outstanding used as the denominator for computing Basic and Diluted Earnings per share *	(B)	213452055	221613887
(iii)	Face value of equity shares (₹)		1.00	1.00
(iv)	Basic and Diluted Earnings per share (₹)	(A/B)	22.48	23.44

* The Company does not have any dilutive potential equity shares.

Note No. : 36 - Other disclosures *(contd...)*

8. The Company is eligible to receive various financial assistance from government authorities. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	Year ended 31st March, 2021	Year ended 31st March, 2020
	Grants related to Income			
(a)	**Revenue related Government Grants:**			
(i)	Cane crush subsidy (Refer footnote (i) below)	Deducted from cost of materials consumed	-	1901.33
(ii)	Defraying expenditure towards internal transport, freight, handling and other charges on export (Refer footnote (ii) below)	(i) Deducted from Miscellaneous expenses under Other expenses	-	1.77
		(ii) Stated as "Re-imbursement of transportation expenses for export" under Revenue from operations	-	90.11
(iii)	Towards marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar (Refer footnote (iii) and (iv) below)	Included under "Export incentive and assistance" under Revenue from operations	13677.20	27225.08
(iv)	Financial support for maintaining buffer stock of sugar inventory (Refer footnote (v) below)	(i) Deducted from interest expense on short term borrowings	1262.17	3197.75
		(ii) Stated as "Insurance and storage charges on buffer stock" under Revenue from operations	216.25	555.70
(v)	Interest on term loans (Refer footnote (vi) below)	(i) Deducted from interest expense on long term borrowings	540.27	125.98
		(ii) Interest expense on long term borrowings capitalised	-	20.47
	(Refer footnote (vii) below)	(iii) Deducted from interest expense on short term borrowings	-	2683.67
(vi)	Duty drawback against export of sugar	Included under "Export incentive and assistance" under Revenue from operations	21.25	-
(vii)	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme (Refer footnote (viii) below)	Deducted from "Contribution to provident, gratuity and other funds" under Employee benefits expense	5.39	24.93
			15722.53	**35826.79**
(b)	**Amortisation of Government Grants:**			
	Government grant relating to interest on term loans (Refer footnote (ix) below)	Deducted from interest expense on long term borrowings	982.59	1190.38
			982.59	**1190.38**
			16705.12	**37017.17**

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

Footnotes:

(i) Notification No. 1(14)/2018-S.P.-I dated 5th October, 2018 was issued by the Central Government for the financial assistance to sugar mills @ ₹ 13.88 per quintal of sugarcane crushed during sugar season 2018-19. Pursuant to the same, ₹ 1901.33 Lacs was adjusted against "cost of material consumed" for the year ended 31st March 2020.

(ii) Notification No. 1(14)/2018-S.P.-I dated 5th October, 2018 was issued by the Central Government for defraying expenditure towards internal transport, freight, handling and other charges on export with a view to facilitate export of sugar during sugar season 2018-19. Based on actual expenditure incurred by the Company on physical exports, a sum of ₹ 1.77 Lacs had been deducted from Miscellaneous expenses under Other expenses for the year ended 31st March 2020. Further, for the year ended 31st March 2020, a sum of ₹ 90.11 Lacs has been shown as "Re-imbursement of transportation expenses for export" under Revenue from operations.

(iii) Notification No. 1(14)/2019-S.P.-I dated 16th September, 2019 was issued by the Central Government for allocation of factory wise Maximum Admissible Export Quantity (MAEQ) for export of sugar for the sugar season 2019-20. The Company was allocated MAEQ quota of 229225 MT. Subsequently, vide Notification No. 1(14)/2019-S.P.-I dated 18th February 2020, pursuant to re-allocation of MAEQ quota of non-performing mills , the Company was allocated additional MAEQ quota of 85115 MT.

By way of exports through merchant exporter, the Company has physically moved 53763 MT and 260577 MT of raw /white sugar for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Notification No. 1(14)/2019-S.P.-I dated 12th September, 2019 was issued by the Central Government for providing assistance to sugar mills @ ₹ 10448.00 per MT for export of sugar covering expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar. Accordingly, ₹ 5617.16 Lacs and ₹ 27225.08 Lacs have been clubbed with "Export Incentive and assistance" under Revenue from operations, for the year ended 31st March, 2021 and 31st March, 2020 respectively.

(iv) Notification No. 1(14)/2019-S.P.-I dated 31st December 2020 was issued by the Central Government for allocation of factory wise Maximum Admissible Export Quantity (MAEQ) for export of sugar for the sugar season 2020-21. The Company was allocated MAEQ quota of 251604 MT.

Notification No. 1(6)/2020-S.P.-I dated 29th December, 2020 was issued by the Central Government for providing assistance to sugar mills @ ₹ 6000.00 per MT on export of sugar towards expenses on marketing costs including handling, upgrading and other processing costs, costs of international and internal transport and freight charges on export of sugar.

The Company has entered into tripartite agreements with merchant exporters and source mills, where merchant exporters have procured sugar from the source mill for export under the entitlement held by the Company.

The expenses incurred by the Company against it amounting to ₹ 4930.55 Lacs has been clubbed with "Professional expenses" under "Other expenses".

Further, the Company has also physically moved for export 1967.30 MT of raw sugar by way of exports through merchant exporter. The total of export entitlement utilised and physical export done by the Company till 31st March 2021 aggregates to 134334 MT.

Financial assistance receivable from the Central Government against such exports, have been clubbed with "Export incentive and assistance" under Revenue from operations, amounting to ₹ 8060.04 Lacs.

(v) Notification No. 1(6)/2018-S.P.-I dated 15th June, 2018 was issued by the Central Government for Creation and Maintenance of Buffer Stock of 30 Lacs MT of sugar by the sugar mills in the country for one year w.e.f. 1st July, 2018 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilise domestic sugar price. The Company was allocated 111045 MT of buffer stock.

Similarly, Notification No. 1(8)/2019-S.P.-I dated 31st July, 2019 was issued by the Central Government for Creation and Maintenance of Buffer Stock of 40 Lacs MT of sugar by the sugar mills in the country for one year w.e.f. 1st August, 2019 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilise domestic sugar price. The Company was allocated 140801 MT of buffer stock.

Note No. : 36 - Other disclosures *(contd...)*

Accordingly, ₹ 1262.17 Lacs and ₹ 3197.75 Lacs has been adjusted against “Interest on short term borrowings” under Finance costs for the year ended 31st March, 2021 and 31st March, 2020, respectively.

Further, for the year ended 31st March, 2021 and 31st March, 2020, storage charges of ₹ 216.25 Lacs and ₹ 555.70 Lacs respectively, are shown under line item “Insurance and storage charges on buffer stock” under Revenue from operations..

(vi) Notification No. S.O. 3523 (E) dated 19th July, 2018 was issued by the Central Government for ‘extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity’ with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers for which interest subvention @ 6% or 50% of rate of interest charged by banks (whichever is lower) would be borne by the Central Government for a tenure of 5 years from the date of disbursement of the loan.

Under the said scheme, HDFC and ICICI disbursed Rupee Loan aggregating to ₹ 8024.00 Lacs and ₹ 5000.00 Lacs respectively, during the year ended 31st March, 2020 which has been utilised for setting up of 160 KLPD distillery at Gularia unit.

Accordingly, for the year ended 31st March, 2021 and 31st March, 2020, an amount of ₹ 540.27 Lacs and ₹ 125.98 Lacs respectively was adjusted with interest on long term borrowings charged to Statement of Profit and Loss.

Further, for the year ended 31st March, 2020, a sum of ₹ 20.47 Lacs was adjusted against interest on long term borrowings capitalised.

(vii) Notification No. 1(4)/2019-S.P.-I dated 2nd March, 2019 issued by the Central Government for extending soft loan to sugar mills with a view to facilitate payment of cane price dues of farmers for the Sugar Season 2018-19 relating to the Fair and Remunerative (FRP) of sugarcane fixed by the Central Government for which interest subvention @ 7% would be borne by the Central Government for a tenure of one year from the date of disbursement of the loan.

Under the said scheme, during the year ended 31st March 2019, HDFC disbursed Rupee Loan aggregating to ₹ 38762.94 Lacs which was utilised for clearance of sugarcane price for sugar season 2018-19 as per the scheme. Accordingly, ₹ 2683.67 Lacs has been adjusted with interest on short term borrowings for the year ended 31st March, 2020.

(viii) The Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme has been designed to incentivise employers for generation of new employment, where Government of India pays the 8.33% Employee Pension Scheme contribution of the employer for the new employment. Accordingly ₹ 5.39 Lacs and ₹ 24.93 Lacs have been deducted from “Contribution to provident, gratuity and other funds” under Employee benefits expense, for the year ended 31st March, 2021 and 31st March, 2020 respectively.

(ix) The Government of Uttar Pradesh vide its Order No. - 12/2018/1698 / 46-3-18-3 (36-A) / 2018 dated 28th September, 2018 notified a scheme for assistance to sugar mills under the Scheme for Extending Financial Assistance to Sugar Undertakings - 2018 of Uttar Pradesh Government, for the purpose of clearance of sugarcane price for sugar season 2016-17 and 2017-18 as per the State Advised Price of sugarcane fixed by the State Government.

Under the said scheme, during the year ended 31st March 2019, the State Government extended Rupee term loan to the Company through ICICI @ 5% p.a. interest for a period of 5 years aggregating to ₹ 36508.11 Lacs which was utilised for clearance of sugarcane price for sugar season 2017-18 as per the scheme.

Pursuant to the requirements of Ind AS 20 – “Accounting for Government Grants and Disclosure of Government Assistance” and Ind AS 109 – “Financial Instruments”, ₹ 4051.19 Lacs was accounted for during the year ended 31st March, 2019 and included under Note No. 21 - “Deferred income”.

Accordingly, proportionate income amounting to ₹ 982.59 Lacs and ₹ 1190.38 Lacs has been adjusted with interest on long term borrowings for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

9. Employee Benefits :

As per Ind AS - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Consolidated Statement of Profit and Loss are as under :

(₹ in Lacs)

Defined Contribution Plan	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	1282.83	1098.49
Employer's Contribution to Pension Scheme	773.32	745.34

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of continuance service is entitled to the same. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits depends on the member's length of service and salary at the time of cessation of the employment contract with the Company. The fund is in the form of a trust and is governed by the Board of Trustees who are responsible for its administration.

The Company contributes ascertained liabilities towards gratuity to trust.

The following tables summarises the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss, the funded status and amounts recognised in the Consolidated Balance Sheet for the said plan:

(a) Details of funded post retirement plans are as follows : (₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	**Expenses recognised in the Consolidated Statement of Profit and Loss:**		
1	Current service cost	636.54	512.32
2	Net interest on the net defined benefit liability/asset	29.50	1.43
3	Expense recognised in the Consolidated Statement of Profit and Loss	666.04	513.75
II.	**Consolidated Other comprehensive income**		
1	Actuarial (gain) / loss arising from:		
	- change in financial assumptions	396.84	551.20
	- changes in experience adjustments	310.39	322.23
2	(Returns)/loss on plan assets	(621.60)	296.94
3	Components of defined benefit costs recognised in Consolidated Other comprehensive income	85.63	1170.37
III.	**Change in present value of defined benefit obligation :**		
1	Present value of defined benefit obligation at the beginning of the year	7437.56	6106.16
2	Interest expense	487.63	445.10
3	Current service cost	636.54	512.32
4	Benefits paid	426.79	499.45
5	Actuarial (gain) / loss arising from:		
	- changes in financial assumptions	396.84	551.20
	- changes in experience adjustments	310.39	322.23
6	Present value of defined benefit obligation at the end of the year	8842.17	7437.56

Note No. : 36 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

(₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
IV.	**Change in fair value of plan assets during the year:**		
1	Plan assets at the beginning of the year	5853.44	5968.75
2	Interest income	458.13	443.67
3	Employers' contributions	2294.12	237.41
4	Benefits paid	426.79	499.45
5	Re-measurement (Returns on plan assets excluding amounts included in interest income)	(621.60)	296.94
6	Fair value of plan assets at the end of the year	8800.50	5853.44
V.	**Net Asset / (Liability) recognised in the Consolidated Balance Sheet as at the year end:**		
1	Present value of defined benefit obligation	8842.17	7437.56
2	Fair value of plan assets	8800.50	5853.44
3	Funded status [Surplus/(Deficit)]	(41.67)	(1584.12)
4	Net Asset / (Liability) recognised in Consolidated Balance Sheet	(41.67)	(1584.12)
	- Current	(41.67)	(1584.12)
	- Non-Current	-	-
VI.	**Actuarial assumptions:**		
1	Discount rate (per annum) (in %)	6.50%	6.75%
2	Expected return on plan assets (per annum) (in %)	6.50%	6.75%
3	Expected rate of salary increase (in %)	6.25%	6.00%
4	Retirement/Superannuation age (in Year)	60	60
5	Mortality rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
VII.	**Major category of plan assets as a % of the total plan assets as at the year end:**		
1	Administered by Insurance Companies (in %)	99.95%	99.93%
2	Others (Cash and cash equivalents) (in %)	0.05%	0.07%
VIII.	**Maturity Profile of defined benefit obligation:**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	334.80	336.65
	Between 2 and 5 years	2348.22	1915.66
	Between 5 and 10 years	6734.40	5605.69
	Total expected payments:	**9417.42**	**7858.00**
	Average duration of the defined benefit plan obligation (in years)	10	10
IX.	**Sensitivity analysis on present value of defined benefit obligations:**		
	Discount rates		
	1.00% Increase	(763.88)	(641.87)
	1.00% Decrease	882.35	740.47
	Expected rates of salary increases		
	1.00% Increase	875.97	738.81
	1.00% Decrease	(772.51)	(651.98)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

X. The history of funded post retirement plans are as follows :

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present value of defined benefit obligation	8842.17	7437.56	6106.16	4912.87	4135.70
Fair value of plan assets	8800.50	5853.44	5968.75	4912.87	4135.70

(b) Details of unfunded other long term benefit are as follows:

(₹ in Lacs)

Sl. No.	Particulars	Leave Encashment (Unfunded)	
		Year ended 31st March, 2021	Year ended 31st March, 2020
I.	**Components of employer expense:**		
1	Current service cost	57.62	41.46
2	Interest cost	43.63	38.58
3	Actuarial (gain) /loss recognised in the year	148.62	153.72
4	Expense recognised in the Consolidated Statement of Profit and Loss	249.87	233.76
II.	**Change in present value of obligation:**		
1	Present value of obligation at the beginning of the year	696.66	552.48
2	Interest cost	43.63	38.58
3	Current service cost	57.62	41.46
4	Benefits paid	100.66	89.58
5	Actuarial (gain) /loss recognised in the year	148.62	153.72
6	Present value of obligation at the end of the year	845.87	696.66
III.	**Net Asset / (Liability) recognised in the Consolidated Balance Sheet as at the year end:**		
1	Present value of defined benefit obligation	845.87	696.66
2	Fair value of plan assets	-	-
3	Funded status [Surplus/(Deficit)]	(845.87)	(696.66)
4	Net Asset / (Liability) recognised in Consolidated Balance Sheet *	(845.87)	(696.66)
IV.	**Actuarial Assumptions:**		
1	Discount rate (per annum) %	6.50%	6.75%
2	Expected rate of salary increase %	6.25%	6.00%
3	Retirement/Superannuation age (Year)	60	60
4	Mortality rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
V.	**Maturity Profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	25.81	25.37
	Between 2 and 5 years	162.41	133.64
	Between 5 and 10 years	471.63	393.64
	Total expected payments	**659.85**	**552.65**

* excludes leave liability towards leave days above the maximum accumulation limit encashable once a year.

Note No. : 36 - Other disclosures *(contd...)*

9. Employee Benefits : *(contd...)*

(c) Risks related to defined benefit plans:

The main risks to which the Company is exposed in relation to operating defined benefit plans are :

(i) Mortality risk:

The assumptions adopted by the Company is to make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.

(ii) Market and liquidity risks:

These are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimise the risks, the structure of the portfolios is reviewed and asset-liability matching analysis are performed on a regular basis.

(d) Asset - liability management and funding arrangements

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

(e) Other disclosures :

The Gratuity and Provident Fund expenses have been recognised under " Contribution to provident, gratuity and other funds" and Leave encashment clubbed with "Salaries and wages" under Note No. 30 - Employee benefits expense.

10. Related party disclosures :

Information under Ind AS 24- Related party disclosures are as follows:

(a) Name of the related parties and description of relationship with whom transactions have taken place :-

(i)	**Associate Companies :** (Significant influence can be exercised)	1. Visual Percept Solar Projects Pvt. Ltd. (VPSPPL)
		2. Auxilo Finserve Pvt. Ltd. (AFPL)

(ii)	**Key Management Personnel (KMP):**	1. Mr. Vivek Saraogi - Managing Director
		2. Dr. Arvind Krishna Saxena - Whole-time Director
		3. Mr. Sumit Mazumder - Independent Director
		4. Mr. Dinesh Kumar Mittal - Independent Director
		5. Mr. Krishnava Dutt - Independent Director
		6. Ms. Veena Hingarh - Independent Director (w.e.f. 31st August, 2019)
		7. Ms. Mamta Binani - Independent Director - (w.e.f. 5th November, 2020)
		8. Mr. Naresh Dayal - Non-Executive Non-Independent Director
		9. Mr. Shakti Prasad Ghosh - Independent Director (Upto 30th September, 2020)
		10. Late R. N. Das - Independent Director (deceased on 3rd December, 2019)
		11. Ms. Novel S Lavasa - Independent Director (upto 31st May, 2019)

(iii)	**Other related parties:**	
	a) Close members of family ("Relatives") of KMP : Mr. Vivek Saraogi	1. Late Kamal Nayan Saraogi - Father (deceased on 15th October, 2020)
		2. Ms. Sumedha Saraogi - Wife
		3. Late Karan Saraogi - Son (deceased on 20th June, 2019)
		4. Ms. Avantika Saraogi - Daughter
		5. Ms. Stuti Dhanuka - Sister

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

b)	**Entities over which KMP and/or their relatives have significant influence**	1. Meenakshi Mercantiles Ltd.
		2. Udaipur Cotton Mills Co. Ltd.
		3. Novel Suppliers Pvt. Ltd.
		4. Kamal Nayan Saraogi (HUF)
		5. Vivek Saraogi (HUF)

c)	**Post employment benefit plan**	The Balrampur Sugar Company Limited Employees Gratuity Fund

(b) Transactions with Related parties : (₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(i)	**Compensation/Remuneration of KMP**				
	Mr. Vivek Saraogi	-	636.28	-	636.28
		(-)	(636.43)	(-)	(636.43)
	Dr. Arvind Krishna Saxena	-	32.59	-	32.59
		(-)	(31.52)	(-)	(31.52)
(ii)	**Commission to non-executive directors**				
	Mr. Sumit Mazumder	-	21.00	-	21.00
		(-)	(21.00)	(-)	(21.00)
	Mr. Dinesh Kumar Mittal	-	21.00	-	21.00
		(-)	(21.00)	(-)	(21.00)
	Mr. Krishnava Dutt	-	14.00	-	14.00
		(-)	(14.00)	(-)	(14.00)
	Ms. Veena Hingarh	-	14.00	-	14.00
		(-)	(8.20)	(-)	(8.20)
	Ms. Mamta Binani	-	5.80	-	5.80
		(-)	(-)	(-)	(-)
	Mr. Naresh Dayal	-	14.00	-	14.00
		(-)	(14.00)	(-)	(14.00)
	Mr. Shakti Prasad Ghosh	-	7.00	-	7.00
		(-)	(14.00)	(-)	(14.00)
(iii)	**Sitting fees**				
(a)	**Charged to Statement of Profit and Loss**				
	Mr. Sumit Mazumder	-	2.60	-	2.60
		(-)	(3.00)	(-)	(3.00)
	Mr. Dinesh Kumar Mittal	-	5.00	-	5.00
		(-)	(4.60)	(-)	(4.60)
	Mr. Krishnava Dutt	-	4.00	-	4.00
		(-)	(2.80)	(-)	(2.80)
	Ms. Veena Hingarh	-	2.60	-	2.60
		(-)	(1.00)	(-)	(1.00)
	Ms. Mamta Binani	-	2.80	-	2.80
		(-)	(-)	(-)	(-)

Note No. : 36 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
	Mr. Naresh Dayal	-	4.80	-	4.80
		(-)	(3.00)	(-)	(3.00)
	Mr. Shakti Prasad Ghosh	-	3.60	-	3.60
		(-)	(7.60)	(-)	(7.60)
	Late R. N. Das	-	-	-	-
		(-)	(3.80)	(-)	(3.80)
(b)	**Charged to Equity (included in buy-back expenses)**				
	Mr. Shakti Prasad Ghosh	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
	Late R. N. Das	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
	Ms. Novel S Lavasa	-	-	-	-
		(-)	(0.40)	(-)	(0.40)
(iv)	**Rendering of services**				
	Ms. Avantika Saraogi	-	-	10.65	10.65
		(-)	(-)	(-)	(-)
(v)	**Investment in equity shares**				
	Auxilo Finserve Pvt. Ltd.	-	-	-	-
		(8250.00)	(-)	(-)	(8250.00)
(vi)	**Sale of equity shares of an associate pursuant to buy-back**				
	Visual Percept Solar Projects Pvt. Ltd.	1019.52	-	-	1019.52
		(-)	(-)	(-)	(-)
(vii)	**Redemption of Investment in debentures (at amortised cost)**				
	Visual Percept Solar Projects Pvt. Ltd.	564.58	-	-	564.58
		(1646.05)	(-)	(-)	(1646.05)
(viii)	**Interest income (at amortised cost)**				
	Visual Percept Solar Projects Pvt. Ltd.	19.46	-	-	19.46
		(284.93)	(-)	(-)	(284.93)
(ix)	**Recovery towards deputation of employee**				
	Visual Percept Solar Projects Pvt. Ltd.	11.34	-	-	11.34
		(3.95)	(-)	(-)	(3.95)
(x)	**Contribution to employees defined benefit plan**				
	The Balrampur Sugar Company Limited Employees Gratuity Fund	-	-	751.67	751.67
		(-)	(-)	(1684.12)	(1684.12)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(xi)	**Interim dividend paid to equity shareholders (gross)**				
	Mr. Vivek Saraogi	-	858.48	-	858.48
		(-)	(861.73)	(-)	(861.73)
	Dr. Arvind Krishna Saxena	-	0.38	-	0.38
		(-)	(0.39)	(-)	(0.39)
	Ms. Sumedha Saraogi	-	-	551.08	551.08
		(-)	(-)	(633.18)	(633.18)
	Ms. Avantika Saraogi	-	-	79.68	79.68
		(-)	(-)	(83.49)	(83.49)
	Ms. Stuti Dhanuka	-	-	107.11	107.11
		(-)	(-)	(112.14)	(112.14)
	Meenakshi Mercantiles Ltd.	-	-	162.11	162.11
		(-)	(-)	(169.30)	(169.30)
	Udaipur Cotton Mills Co. Ltd.	-	-	142.24	142.24
		(-)	(-)	(148.55)	(148.55)
	Novel Suppliers Pvt. Ltd.	-	-	88.79	88.79
		(-)	(-)	(70.23)	(70.23)
	Kamal Nayan Saraogi (HUF)	-	-	170.48	170.48
		(-)	(-)	(178.05)	(178.05)
	Vivek Saraogi (HUF)	-	-	3.69	3.69
		(-)	(-)	(3.85)	(3.85)
(xii)	**Amount paid upon buy-back of equity shares**				
	Mr. Vivek Saraogi	-	2753.79	-	2753.79
		(-)	(2118.96)	(-)	(2118.96)
	Dr. Arvind Krishna Saxena	-	1.21	-	1.21
		(-)	(1.21)	(-)	(1.21)
	Ms. Sumedha Saraogi	-	-	1771.24	1771.24
		(-)	(-)	(554.67)	(554.67)
	Late Karan Saraogi	-	-	-	-
		(-)	(-)	(1006.10)	(1006.10)
	Ms. Avantika Saraogi	-	-	274.36	274.36
		(-)	(-)	(232.63)	(232.63)
	Ms. Stuti Dhanuka	-	-	362.06	362.06
		(-)	(-)	(302.62)	(302.62)
	Meenakshi Mercantiles Ltd.	-	-	518.13	518.13
		(-)	(-)	(413.48)	(413.48)
	Udaipur Cotton Mills Co. Ltd.	-	-	454.62	454.62
		(-)	(-)	(362.80)	(362.80)
	Novel Suppliers Pvt. Ltd.	-	-	283.78	283.78
		(-)	(-)	(171.51)	(171.51)
	Kamal Nayan Saraogi (HUF)	-	-	544.90	544.90
		(-)	(-)	(434.85)	(434.85)
	Vivek Saraogi (HUF)	-	-	11.78	11.78
		(-)	(-)	(9.40)	(9.40)

Note No. : 36 - Other disclosures *(contd...)*

10. Related party disclosures : *(contd...)*

(₹ in Lacs)

Sl. No.	Nature of transaction / Name of the related party	Associates	Key Management Personnel (KMP)	Other related parties	Total
(xiii)	**Balance Outstanding:**				
	Investment in debentures (at amortised cost)	-	-	-	-
		(564.58)	(-)	(-)	(564.58)
	Remuneration payable	-	360.00	-	360.00
		(-)	(360.00)	(-)	(360.00)
	Sitting fees and Commission (net of TDS)	-	89.73	-	89.73
		(-)	(82.98)	(-)	(82.98)
	Contribution to employees defined benefit plan	-	-	41.67	41.67
		(-)	(-)	(1584.12)	(1584.12)
	Deputation fee receivable	3.32	-	-	3.32
		(-)	(-)	(-)	(-)

Footnote:

Figures in brackets pertain to previous year.

(c) Details of Remuneration paid/payable to KMP:

(₹ in Lacs)

Particulars	Year ended 31st March, 2021				Year ended 31st March, 2020			
	Mr. Vivek Saraogi	Dr. Arvind Krishna Saxena	Other Directors	Total	Mr. Vivek Saraogi	Dr. Arvind Krishna Saxena	Other Directors	Total
Short-term employee benefits								
- Salary	240.00	25.73	-	265.73	240.00	25.10	-	265.10
- Sitting fees	-	-	25.40	25.40	-	-	27.00	27.00
- Commission	360.00	-	96.80	456.80	360.00	-	92.20	452.20
- Perquisites	7.48	4.05	-	11.53	7.63	3.83	-	11.46
	607.48	**29.78**	**122.20**	**759.46**	**607.63**	**28.93**	**119.20**	**755.76**
Post-employment benefits								
- Contribution to provident fund	28.80	2.81	-	31.61	28.80	2.59	-	31.39
	636.28	**32.59**	**122.20**	**791.07**	**636.43**	**31.52**	**119.20**	**787.15**

i) Sitting fees (includes sitting fees charged through Equity) - Refer Note No. 36(10)(b)(iii) for more details.

ii) The above remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

(d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

(e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provision for bad or doubtful debts has been recognised in current year and previous year in respect of the amounts owed by related parties.

(f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

11. Revenue

(i) The disclosures pertaining to disaggregation of revenue and performance obligation in terms of Ind AS 115 - Revenue from contracts with customers are as follows:

(a) Sugar

The Sugar segment of the Company principally generates revenue from manufacturing and sale of sugar and its by-products. Domestic sales of sugar is made on ex-factory terms/agreed terms to wholesale /institutional buyers/merchant exporters within the country. Domestic sugar sales is majorly done on advance payment terms.

Export sales of sugar to merchant exporters are done on ex-factory /delivered basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyers' specific location (as per agreed terms). The sale price and payment terms is fixed as per contracted terms.

Bagasse and pressmud are sold generally on advance payment terms to customers on ex-factory basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyer.

(b) Co-generation

The co-generation segment of the Company principally generates revenue from sale of power to distribution companies.

Power is supplied to distribution companies from the Company's facilities in accordance with the sale price, payment terms and other conditions as per the Power Purchase Agreements ("PPA").

(c) Distillery

The distillery segment of the Company principally generates revenue from sale of industrial alcohol which mainly constitutes ethanol sold under contracts with Public and Private Oil Marketing Companies ("OMCs") and other products to institutional buyers.

For sale of ethanol under contracts with OMCs, sale price is pre-determined based on Expression of Interest ("EOI")/Tender floated from OMCs. The prices are on delivered cost basis at OMC's locations inclusive of all duties/levies/taxes/charges etc. Payment terms is within 21 days after delivery of material and submission of original invoices.

Other products like Rectified Spirit, ENA, SDS etc. are sold on bulk basis to institutional buyers on ex-factory basis as per agreed terms. Revenue is recognised when goods have been shipped to the buyers' specific location as per agreed terms. The payment terms are fixed as per Company's credit policy which is up-to 45 days.

(d) Others

Other segment principally generates revenue from sale of agricultural fertilizers such as soil conditioner, granulated potash etc.

Agricultural fertilizers such as soil conditioner, granulated potash etc. are sold to customers on ex-factory/ delivered cost basis as per agreed terms. Revenue is recognised when the goods have been shipped to the buyers' specific location as per agreed terms (as the case may be). The payment terms are fixed as per Company's credit policy which is up-to 60 days.

(ii) Disaggregated revenue information have been given along with segment information [Refer Note No. 36(12)(d)].

12. Segment information

(a) The Managing Director has been identified as the Company's Chief Operating Decision Maker (CODM) as defined by Ind AS 108 –Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by Business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the Business segment of the Company.

The Company has identified three business segments viz. Sugar, Co-generation and Distillery and presented the same in the consolidated financial statements on a consistent basis. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as " Unallocable".

Note No. : 36 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(b) The following is an analysis of revenue and results from operations by reportable segments: (₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Adjustments / Elimination	Total
Revenue							
External sales	368859.76	13665.17	82546.73	2179.34	-	-	467251.00
	(373758.86)	(16473.81)	(54908.67)	(1117.17)	(-)	(-)	(446258.51)
Inter segment sales	64032.94	30089.93	3.95	53.59	-	(94180.41)	-
	(49680.87)	(28576.09)	(0.05)	(47.49)	(-)	(-)(78304.50)	(-)
Other operating revenue	13914.70	-	-	-	-	-	13914.70
	(27870.89)	(-)	(-)	(-)	(-)	(-)	(27870.89)
Revenue from operations	**446807.40**	**43755.10**	**82550.68**	**2232.93**	**-**	**(94180.41)**	**481165.70**
	(451310.62)	(45049.90)	(54908.72)	(1164.66)	(-)	(-)(78304.50)	(474129.40)
Segment profit	**27784.19**	**5466.18**	**34105.82**	**1044.73**	**-**	**-**	**68400.92**
	(34422.17)	(4754.53)	(26146.40)	(518.77)	(-)	(-)	(65841.87)
Unallocable expenditure	-	-	-	-	5547.33	-	5547.33
net of unallocable income	(-)	(-)	(-)	(-)	(4155.99)	(-)	(4155.99)
Interest income							34.19
							(756.50)
Finance costs							3929.59
							(6417.02)
Profit before share of profit							**58958.19**
of associates and tax							(56025.36)
Share of profit of associates							1959.77
							(780.67)
Profit before tax							**60917.96**
							(56806.03)
Tax							
Current tax							10259.89
							(9710.33)
Deferred tax							2679.07
							(-)(4839.74)
Profit for the year							**47979.00**
							(51935.44)

Footnotes:

(i) Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments/eliminations' column. Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at Company level. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Company level. Capital expenditure consists of additions to property, plant and equipment, capital work-in-progress and intangible assets.

(ii) Transactions between segments are primarily transferred at cost/estimated market prices. Common costs are apportioned on a reasonable basis.

(iii) Figures in brackets pertain to previous year.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(c) Other information

(₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Total
Segment assets	317708.64	66409.20	47455.46	2231.22	29588.69	463393.21
	(325990.96)	(76116.12)	(42621.65)	(1575.10)	(34378.74)	(480682.57)
Segment liabilities	66719.22	1203.36	1475.30	173.78	131906.77	201478.43
	(81018.70)	(1653.02)	(2279.85)	(171.75)	(153989.78)	(239113.10)
Capital expenditure *	5027.65	1393.28	2494.28	224.19	170.00	9309.40
	(6251.59)	(8042.10)	(11997.80)	(495.06)	(1045.26)	(27831.81)
Depreciation and amortisation	5184.71	3794.22	1872.39	76.87	259.45	11187.64
	(5015.43)	(3500.25)	(1293.47)	(45.54)	(287.04)	(10141.73)
Non cash expenses other than	118.08	8.21	2.44	-	-	128.73
depreciation and amortisation	(68.14)	(431.36)	(10.26)	(-)	(0.67)	(510.43)
Investment in associates	-	-	-	-	24915.52	24915.52
	(-)	(-)	(-)	(-)	(23873.85)	(23873.85)
Gain on deemed disposal of	-	-	-	-	-	-
investment in an associate	(-)	(-)	(-)	(-)	(532.51)	(532.51)
Share of profit of associates (including	-	-	-	-	1503.31	1503.31
other comprehensive income)	(-)	(-)	(-)	(-)	(598.06)	(598.06)

*Includes depreciation, interest and other borrowing costs capitalised.

Footnote:

Figures in brackets pertain to previous year.

(d) In the following table, revenue is disaggregated by geographical market, major products/service lines and timing of revenue recognition which also includes a reconciliation of the disaggregated revenue with the Company's three strategic divisions, which are its reportable segments.

(₹ in Lacs)

Particulars	Domestic			Total reportable segment	All other Segment	Total
	Sugar	Co-generation	Distillery			
Geographical markets						
Within India	354679.87	13665.17	82546.73	450891.77	2179.34	453071.11
	(318890.46)	(16473.81)	(54908.67)	(390272.94)	(1117.17)	(391390.11)
Within India to merchant exporter	14179.89	-	-	14179.89	-	14179.89
	(54868.40)	(-)	(-)	(54868.40)	(-)	(54868.40)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Major product						
Sugar	348342.17	-	-	348342.17	-	348342.17
	(333734.50)	(-)	(-)	(333734.50)	(-)	(333734.50)
Raw Sugar	14179.89	-	-	14179.89	-	14179.89
	(31966.97)	(-)	(-)	(31966.97)	(-)	(31966.97)
Industrial alcohol	-	-	81999.38	81999.38	-	81999.38
	(-)	(-)	(54530.76)	(54530.76)	(-)	(54530.76)
Power	-	13523.73	-	13523.73	-	13523.73
	(-)	(16160.76)	(-)	(16160.76)	(-)	(16160.76)
Bagasse	5585.46	-	-	5585.46	-	5585.46
	(7270.67)	(-)	(-)	(7270.67)	(-)	(7270.67)
Others	752.24	141.44	547.35	1441.03	2179.34	3620.37
	(786.72)	(313.05)	(377.91)	(1477.68)	(1117.17)	(2594.85)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Timing of revenue recognition						
Products and services transferred	368859.76	13665.17	82546.73	465071.66	2179.34	467251.00
at a point in time	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)
Products and services transferred	-	-	-	-	-	-
over time	(-)	(-)	(-)	(-)	(-)	(-)
Total	**368859.76**	**13665.17**	**82546.73**	**465071.66**	**2179.34**	**467251.00**
	(373758.86)	(16473.81)	(54908.67)	(445141.34)	(1117.17)	(446258.51)

Footnote:

Figures in brackets pertain to previous year.

Note No. : 36 - Other disclosures *(contd...)*

12. Segment information : *(contd...)*

(e) Geographical information:

Refer Note No. 36 (12) (d) above for disclosures relating to revenue disaggregated by geographical market.

(f) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2021 and 31st March, 2020.

13. Ind AS 116 - "Leases " was adopted by the Company w.e.f. 1st April, 2019. The Lease hold land was reclassified as " Right-of -use" assets and amortised over the lease term, where the original lease term ranges from 25-30 years and the extension period ranges from 0-60 years.

Depreciation/amortisation charge for "Right-of-use" assets is included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

Further, to above, the Company has certain lease arrangement on short term basis, expenditure on which has been recognised under line item "Rent" under Other expenses.

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis have been disclosed under Note No. 36(19)(c).

Movement in lease liabilities : (₹ in Lacs)

Particulars	Amount
Balance as at 1st April, 2020	240.38
Derecognised during the year	240.38
Addition to lease liabilities	140.80
Finance cost accrued during the year	9.28
Payment of lease liabilities	33.27
Balance as at 31st March, 2021	**116.81**
- Current	16.63
- Non-current	100.18
Balance as at 1st April, 2019	-
Addition to lease liabilities	232.39
Finance cost accrued during the year	16.31
Payment of lease liabilities	8.32
Balance as at 31st March, 2020	**240.38**
- Current	16.63
- Non-current	223.75

14. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2021 or year ended 31st March, 2020. Hence, the requirements under the said Schedule is not applicable to the Company and no information is required to be disclosed.

15. The Board of Directors of Visual Percept Solar Projects Pvt. Ltd. ("VPSPPL", the Associate Company) at it's meeting held on 06th January, 2021 and the Shareholders of the VPSPPL at their Extra Ordinary General Meeting held on 18th January, 2021 approved the buy-back of 2360000 equity shares of face value ₹ 10/- each in accordance with Section 68 of the Companies Act, 2013 read together with Rule 17 of Companies (Share Capital and Debentures) Rules, 2014 as amended on proportionate basis at a price of ₹ 96/- per equity share payable in cash aggregating to ₹ 2265.60 Lacs.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

The Company participated and tendered its full eligibility of 1062000 equity shares in the said buy-back offer. VPSPPL bought back the entire offered shares. Pursuant to the same, the Company has received an amount of ₹ 1019.52 Lacs, ₹ 918.21 Lacs, being unrealised profit recognised under "Equity method" in earlier years, has been adjusted with the cost of investments and gain arising on such buy-back amounting to ₹ 101.31 Lacs has been shown as "Gain on buy-back of equity shares of an associate" under Other income".

Consequently, the Company's investment in VPSPPL stands reduced to 7852500 equity shares constituting 45.00% of the total shareholding. VPSPPL continues to be an associate of the Company.

16. The Board of Directors of the Company at its meeting held on 15th September, 2017 considered and approved cumulative investment of ₹ 17500.00 Lacs in tranches over a period of five years in Auxilo Finserve Private Limited ("AFPL"), an unlisted NBFC based in India and engaged in financing activities in education sector.

The Company has so far acquired 155000000 (Previous Year: 155000000) Equity shares of AFPL having face value ₹ 10 each with total cost of ₹ 15750.00 Lacs (Previous Year: ₹ 15750.00 Lacs) on preferential issue basis constituting 45.05% (Previous Year: 45.05%). Though, it's proportionate shareholding has come down to 45.05% as at 31st March 2020 due to investment made by an external investor, AFPL continues to be an associate of the Company. Gain in proportionate net asset value of equity share held by the Company amounting to ₹ Nil (Previous Year: ₹ 532.51 Lacs) consequent to said dilution in equity shareholding has been recognised under the 'Equity method of accounting' according to "Ind AS" - 28 and included under "Other income".

17. Additional Information as required under Schedule III to the Companies Act, 2013 :

As at 31st March, 2021 :

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Lacs)	As % of consolidated profit or loss	(₹ in Lacs)	As % of consolidated other comprehensive income	(₹ in Lacs)	As % of consolidated total comprehensive income	(₹ in Lacs)
Parent								
Balrampur Chini Mills Ltd.	90.49	236999.26	96.87	46475.78	100.16	(55.71)	96.86	46420.07
Associates - (Investment as per equity method)								
Auxilo Finserve Pvt. Ltd.	6.36	16663.42	0.79	381.15	(0.02)	0.01	0.80	381.16
Visual Percept Solar Projects Pvt. Ltd.	3.15	8252.10	2.34	1122.07	(0.14)	0.08	2.34	1122.15
	100.00	261914.78	100.00	47979.00	100.00	(55.62)	100.00	47923.38

As at 31st March, 2020 :

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Lacs)	As % of consolidated profit or loss	(₹ in Lacs)	As % of consolidated other comprehensive income	(₹ in Lacs)	As % of consolidated total comprehensive income	(₹ in Lacs)
Parent								
Balrampur Chini Mills Ltd.	90.12	217695.62	98.86	51336.64	99.89	(688.82)	98.83	50647.82
Associates - (Investment as per equity method)								
Auxilo Finserve Pvt. Ltd.	6.69	16166.51	0.27	144.42	0.04	(0.28)	0.28	144.14
Visual Percept Solar Projects Pvt. Ltd.	3.19	7707.34	0.87	454.38	0.07	(0.46)	0.89	453.92
	100.00	241569.47	100.00	51935.44	100.00	(689.56)	100.00	51245.88

Note No. : 36 - Other disclosures *(contd...)*

18. Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category - Amortised cost

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Carrying and fair value	
			As at 31st March, 2021	As at 31st March, 2020
(1)	**Financial assets**			
(a)	Investments	7	-	564.58
(b)	Trade receivables	8	24546.35	23928.87
(c)	Cash and cash equivalents	14	44.67	149.24
(d)	Bank balances other than cash and cash equivalents	15	235.22	316.34
(e)	Other financial assets	9	9761.81	29989.62
	Total		**34588.05**	**54948.65**
(2)	**Financial liabilities**			
(a)	Borrowings	19	113463.79	139895.32
(b)	Trade and other payables	24	59644.62	67795.18
(c)	Other financial liabilities	20	16091.74	16583.76
	Total		**189200.15**	**224274.26**

B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at an amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables, and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

(ii) The carrying value of debentures approximate their fair value as the instruments are at prevailing market rate.

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

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 or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reconciliation of opening and closing balances for Level 3 fair value:

(₹ in Lacs)

Particulars	Investments in unquoted equity shares
Balance as at 1st April, 2020	-
Recognised during the year	-
Balance as at 31st March, 2021	-
Balance as at 1st April, 2019	49.06
De-recognised during the year	49.06
Balance as at 31st March, 2020	-

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36- Other disclosures *(contd...)*

19. Financial risk management objectives and policies

The Company's principal financial liabilities includes borrowings, trade and other payables and other financial liabilities and principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management under the supervision of Board of Directors oversees the management of these risks. The Company's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations.

Sugar is produced over a period of 4 to 5 months and is required to be stored for sale over a period of 12 months, thereby resulting in very high requirement of working capital. Cost of funding depends on the overall fiscal environment in the country as well as the Company's credit worthiness /credit ratings. Failure to maintain credit rating can adversely affect the cost of funds.

To mitigate the interest rate risk, the Company maintains an impeccable track record and ensures long term relation with the lenders to raise adequate funds at competitive rates. Company has access to low cost borrowings because of its healthy Balance Sheet. Moreover, Company deals with multiple banks thereby reduces risk significantly. In addition, steady revenue from co-generation and distillery business reduces the overall requirement of working capital.

As at 31st March 2021, the Company has outstanding non-current borrowings other than lease obligations, aggregating to ₹ 36252.77 Lacs (Previous Year: ₹ 44589.30 Lacs), out of which non-current borrowings of ₹ 12522.50 Lacs (Previous Year: ₹ 13024.00 Lacs) are linked to variable interest rates and are covered under interest subvention scheme [Refer Note No. 19(i) and footnote (vi) to Note No. 36(8)]. Thus, 25 bps increase / decrease in the interest rate will not have a material impact in the Statement of Profit and Loss.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. To mitigate foreign exchange risk, the Company covers its position through permitted hedging methods.

There was no foreign currency exposure as at 31st March, 2021 and 31st March, 2020.

(iii) Commodity price risk

The major segment in which the Company operates, which accounts for around 78% of the Company's revenues, is Sugar and as such the Company is exposed to commodity price risk. Normally, Company does not physically export sugar unless it is mandated by the Government and duly supported by export subsidy. In that case, the Company has a policy in place to hedge the export underlying exposure. For domestic sales, under the current regime, sales quotas are announced by the Government on monthly basis.

Further, there are not many active platforms in India that allow hedging of domestic sugar sales. In addition to the above, the Central Government had announced Minimum Sale Price (MSP) for sale of sugar in the open market by every sugar mill. Such MSP, currently at ₹ 31/- per kilogram acts as a minimum floor price for the sale of sugar by the sugar mills in India. The pricing

Note No. : 36 - Other disclosures *(contd...)*

methodology for ethanol also remained unchanged. Ethanol prices are announced annually by the Central Government based on a formula, which considers the price of sugar and FRP of sugarcane to calculate the ethanol procurement prices. The ethanol prices are delinked with the crude or petrol prices. Thus, there is no price risk in case of ethanol and accordingly it does not require any hedging.

(iv) Other price risk:

Company's equity risk exposure is limited to cost and these are subject to impairment testing as per the policies followed in this respect. Accordingly, other price risk is not expected to be material.

(b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's sugar sales are mostly on cash. Power is sold to government entities and ethanol is sold under contracts with Public and Private Oil Marketing Companies ("OMCs"); thereby, the credit default risk is significantly mitigated.

The Company uses judgment in making the assumptions and selecting the inputs for assessing the impairment calculation, based on the Company's past history, existing market conditions, and future estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery; however, the Company continues to recover the receivables. Where recoveries are made, these are recognised in the Consolidated Statement of Profit and Loss.

(i) Trade receivables

Trade receivables are non-interest bearing; Refer Note No. 36(11) for credit terms.

An impairment analysis is performed at each balance sheet date on an individual basis for major customers. Also, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the carrying value of each financial assets class disclosed under Note No. 8.

The ageing analysis of the receivables has been considered from the date the invoice falls due: (₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Upto 6 months	24546.25	16508.49
6 to 12 months	0.10	7420.38
More than 12 months	97.63	97.63
	24643.98	**24026.50**

The following table summarizes the change in the loss allowances measured using life time expected credit loss model for trade receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
As per last account	97.63	97.63
	97.63	**97.63**
- Current	-	-
- Non-current	97.63	97.63

(ii) Balances with banks

Credit risk for balances with banks is managed in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the Consolidated balance sheet as at 31st March, 2021 and 31st March, 2020 is the carrying amounts as stated under Note No. 14 and 15.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2021

Note No. : 36 - Other disclosures *(contd...)*

(c) Liquidity risk

The Company's objective is to meet the funding requirement and maintain flexibility in this respect through the use of cash credit facilities, short term loans and commercial papers.

The table below summarises the carrying value and contractual cash flows of Company's financial liabilities : (₹ in Lacs)

Sl. No.	Particulars	Carrying value	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
A.	**As at 31st March, 2021**					
(i)	Borrowings other than lease obligation					
	Non-current (including current maturities of long - term debt)	34784.96	36252.77	10557.62	25695.15	-
	Current - Loans repayable on demand	89136.27	89136.27	89136.27	-	-
		123921.23	**125389.04**	**99693.89**	**25695.15**	**-**
(ii)	Lease obligation	116.81	166.33	16.63	66.53	83.17
(iii)	Trade and other payables	59644.62	59644.62	59644.62	-	-
(iv)	Other financial liabilities (excluding current maturities of long - term debt and lease obligation)	5517.49	5517.49	5517.49	-	-
	Total	**189200.15**	**190717.48**	**164872.63**	**25761.68**	**83.17**
B.	**As at 31st March, 2020**					
(i)	Borrowings other than lease obligation					
	Non-current (including current maturities of long - term debt)	42138.90	44589.30	8336.53	36252.77	-
	Current - Loans repayable on demand	105869.20	105869.20	105869.20	-	-
		148008.10	**150458.50**	**114205.73**	**36252.77**	**-**
(ii)	Lease obligation	240.38	1264.11	16.63	66.53	1180.95
(iii)	Trade and other payables	67795.18	67795.18	67795.18	-	-
(iv)	Other financial liabilities (excluding current maturities of long - term debt and lease obligation)	8230.60	8230.60	8230.60	-	-
	Total	**224274.26**	**227748.39**	**190248.14**	**36319.30**	**1180.95**

The Company has current financial and non-financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

20. Capital Management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, and all other equity reserves attributable to the Company's equity shareholders. The Company's objective while managing capital is to safeguard its ability to continue as a going concern to continue to provide returns to shareholders and other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the financial covenants' requirements and return of capital to shareholders.

To achieve this overall objective, the Company's capital management, amongst other things, also aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The Company has complied with these covenants. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

Note No. : 36 - Other disclosures *(contd...)*

20. Capital Management : *(contd...)*

The Company monitors capital using debt-equity ratio, which is total long-term debt divided by total equity:

(₹ in Lacs, unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total long-term debt (including current maturities of long term debt)	36252.77	44589.30
Total equity	261914.78	241569.47
Debt to equity ratio	0.14	0.18

(b) Dividend

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Year to which interim dividend relates	2020-21	2019-20
Interim dividend paid per equity share (₹)	2.50	2.50
Gross amount of Interim dividend (₹ in Lacs)	5250.00	5500.00
Dividend distribution tax on above (₹ in Lacs)	Not applicable	1130.54

21. The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year's figures.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No. - 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures as at 31st March, 2021:

Part "A": Subsidiaries

Sl. No.	Particulars	Detailed Information	
		As at 31st March, 2021	As at 31st March, 2020
1.	Name of the subsidiary *	Not applicable	Not applicable
2.	The date since when subsidiary was acquired		
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		
5.	Share capital (₹ in Lacs)		
6.	Reserves and surplus (₹ in Lacs)		
7.	Total assets (₹ in Lacs)		
8.	Total liabilities (₹ in Lacs)		
9.	Investments (₹ in Lacs)		
10.	Turnover (₹ in Lacs)		
11.	(Loss)/Profit before taxation (₹ in Lacs)		
12.	Provision for taxation (₹ in Lacs)		
13.	(Loss)/Profit after taxation (₹ in Lacs)		
14.	Proposed dividend (₹ in Lacs)		
15.	Extent of shareholding (in %)		

* There were no subsidiary of the Company as at 31st March, 2021 and 31st March, 2020.

Notes:

(i)	Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable
(ii)	Names of subsidiaries which have been liquidated or sold during the year	Not applicable	Not applicable

Form AOC-I *(contd...)*

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sl. No.	Particulars	Detailed Information			
		As at 31st March, 2021		As at 31st March, 2020	
1.	Name of Associates ^	Auxilo Finserve Pvt. Ltd.	Visual Percept Solar Projects Pvt. Ltd.	Auxilo Finserve Pvt. Ltd.	Visual Percept Solar Projects Pvt. Ltd.
2.	Latest audited Balance Sheet Date	31/03/2021	31/03/2021	31/03/2020	31/03/2020
3.	Date on which the Associate was associated or acquired	20/03/2018	24/01/2017	20/03/2018	24/01/2017
4.	Shares of Associate held by the Company on the year end				
	- Number	155000000	7852500	155000000	8914500
	- Amount of Investment in Associates (₹ in Lacs)	15750.00	1963.13	15750.00	2228.63
	- Extent of shareholding (in %)	45.05%	45.00%	45.05%	45.00%
5.	Description of how there is significant influence	By virtue of voting power	By virtue of voting power	By virtue of voting power	By virtue of voting power
6.	Reason why the associate is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable
7.	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	16663.42	8252.10	16166.51	7707.34
8.	Profit for the year #				
	i. Considered in Consolidation (₹ in Lacs) *	496.92	1462.96	187.92	591.78
	ii. Not considered in Consolidation (₹ in Lacs)	465.33	2405.22	188.54	723.29

^ There is/was no other associate of the Company during the year/previous year.

includes Other comprehensive income for the year, net of tax.

* net of expenses and tax paid on buy-back of shares and adjustment pertaining to employee stock options.

Notes:

		As at 31st March, 2021	As at 31st March, 2020
(i)	Names of associates which are yet to commence operations	Not applicable	Not applicable
(ii)	Names of associates which have been liquidated or sold during the year	Not applicable	Not applicable

(iii) The Company does not have a joint venture, hence, the requirements under this Part is not applicable to the Company and no information is required to be disclosed.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No. - 052438
Place of Signature: Kolkata
Date: 01st June, 2021

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata

NOTES

NOTES

Corporate Information

Board of Directors

Sumit Mazumder
Chairman & Independent Director

Vivek Saraogi
Managing Director

D. K. Mittal (IAS Retd.)
Lead Independent Director

Naresh Dayal (IAS Retd.)
Non-Executive Director

Krishnava Dutt
Independent Director

Veena Hingarh
Independent Director

Mamta Binani
Additional Director - Independent

Dr. Arvind Krishna Saxena
Whole-time Director

Chief Financial Officer

Pramod Patwari

Company Secretary

Manoj Agarwal

Corporate Identification Number

L15421WB1975PLC030118

Registered Office

FMC Fortuna, 2nd Floor,
234/3A, A.J.C. Bose Road,
Kolkata 700 020

Website

www.chini.com

Bankers

State Bank of India
HDFC Bank
ICICI Bank
Kotak Mahindra Bank
Bank of Baroda

Statutory Auditors

M/s. Lodha & Co.,
Chartered Accountants

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032

Sugar Factories

Unit 1: Balrampur
(Including distillery,
cogeneration and agro units)
Dist: Balrampur, Uttar Pradesh

Unit 2: Babhnan
(Including distillery and
cogeneration units)
Dist: Gonda, Uttar Pradesh

Unit 3: Tulsipur
Dist: Balrampur, Uttar Pradesh

Unit 4: Haidergarh
(Including cogeneration unit)
Dist: Barabanki, Uttar Pradesh

Unit 5: Akbarpur
(Including cogeneration unit)
Dist: Ambedkarnagar, Uttar Pradesh

Unit 6: Rauzagaon
(Including cogeneration unit)
Dist: Ayodhya, Uttar Pradesh

Unit 7: Mankapur
(Including distillery,
cogeneration and agro units)
Dist: Gonda, Uttar Pradesh

Unit 8: Kumbhi
(Including cogeneration unit)
Dist: Lakhimpur Kheri, Uttar Pradesh

Unit 9: Gularia
(Including distillery, cogeneration and agro units)
Dist: Lakhimpur Kheri, Uttar Pradesh

Unit 10: Maizapur
Dist: Gonda, Uttar Pradesh

Balrampur Chini Mills Limited

CIN: L15421WB1975PLC030118

Registered Office

FMC Fortuna, 2nd Floor,
234/3A A.J.C. Bose Road, Kolkata 700020, West Bengal, India

P: (033) 22874749 F: (033) 22892633 E: bcml@bcml.in

W: www.chini.com