Dalmia
Bharat Sugar

newthink! cement! sugar! refractories! power!

ND/SY/ 3505 August 26, 2020

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

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

Subject: Annual Report - Financial Year 2019-20

Dear Sir/s,

This is to inform you that the 68th Annual General Meeting of Dalmia Bharat Sugar and Industries Limited ("**Company**") is scheduled to be held on Friday, September 18, 2020 at 10.30 am IST through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith is the Annual Report of the Company for the Financial Year 2019-20 along with the notice of the Annual General Meeting. The same has also been dispatched to the shareholders and uploaded on the Company's website https://www.dalmiasugar.com/dalmia-sugar-ebook/mobile/

Thanking You,

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

Aashima Khanna
Company Secretary
Membership No.: A34517

CC:

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

2. **Central Depository Services (India) Limited**
   Phiroze Jeejeebhoy Towers, 17th Floor,
   Dalal Street Mumbai – 400 001

3. **KFin Technologies Private Limited**
   Karvy Selenium Tower B, Plot No. 31 & 32,
   Gachibowli, Finance District, Nanakramguda,
   Hyderabad – 500 032

Dalmia
Bharat Sugar

GREEN BALANCE

ANNUAL REPORT | 2019-20

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Green Balance

At Dalmia Bharat Sugar, we believe that a balanced approach towards environmental preservation and economic priorities represents the foundation of our long-term sustainability.

The result of this priority is that 'green' is integral to our strategic mindset.

An investment in our revenue mix comprises a growing proportion of products considered environment-friendly; a growing investment in equipment minimises emissions and discharge; an investment in our people comprises an orientation towards holistic environment responsibility.

What defines Dalmia Bharat Sugar...

Ethos

Vision
We want to be amongst the top integrated players in the industry with a special impetus on generating the highest return on capital employed for our stake holders.

Pedigree

Dalmia Bharat Sugar enjoys a legacy of many decades. On the back of a rich experience of 25 years in the sugar industry, the Company has emerged as one of the major players in the Indian sugar sector.

Management

The Company is spearheaded by Mr. Jai Hari Dalmia and Mr. Gautam Dalmia, who are aided by a capable senior management.

Products

The Company not only produces sugar but also processes byproducts like bagasse and molasses to generate power and manufacture ethanol and organic manure.

Manufacturing facilities

The Company has a compliment of state-of-the-art integrated manufacturing facilities located in five different locations across the country to cut down on logistics costs and improve the transit time to farmers and customers. The Company's five manufacturing plants are as follows:

- Ramgarh Unit, Uttar Pradesh
- Nigohi Unit, Uttar Pradesh
- Jawaharpur Unit, Uttar Pradesh
- Shri Dutta Sakhar Karkhana in Asurle Porle, Maharashtra
- Shri Ninaidevi Sakhar Karkhana in Karungali, Maharashtra

Footprint

Headquartered in Delhi, the Company has its manufacturing facilities spread located in two different states in the country. From these manufacturing facilities, the Company extends its footprint across the entire country with its sugar produce, the major markets being UP and Maharashtra.

Responsibility

Dalmia Bharat Sugar has been one of the most respected sugar manufacturers in the country on the back of superior values, environment-centricity and people-centricity, validated by the Occupational Health and Safety Management (OHSAS), Environment Management System (EMS) and Food, Safety and Quality (FSQ) certifications.

Listing

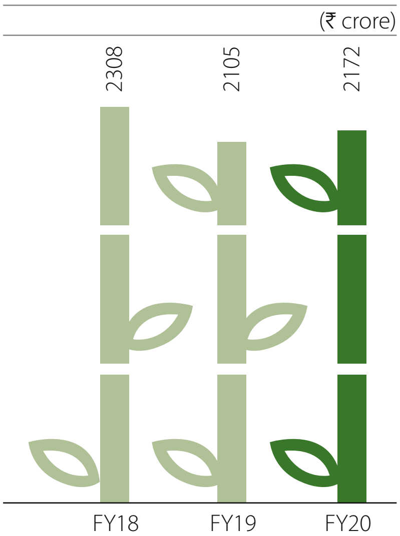
The Company is listed on BSE and NSE with a market capitalisation of ₹396 crore as on 31st March, 2020.

Our transformation since inception

	Revenues (₹ in crore)	Installed capacity (TCD)
1994	100	2,500
2020	2,172	35,500

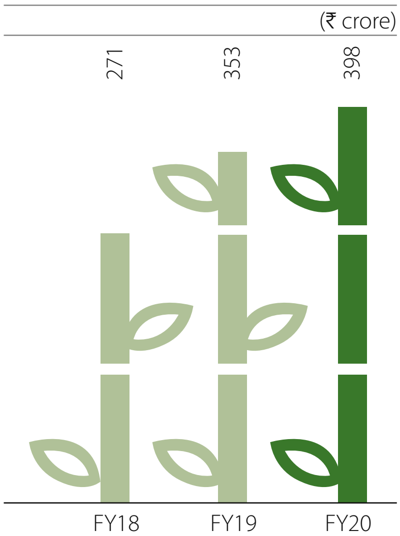
	Number of sugar plants	Number of farmers associated with us	Employees
1994	1	7,200	620
2020	5	1.5 lakh	2,300

How we have grown over the years



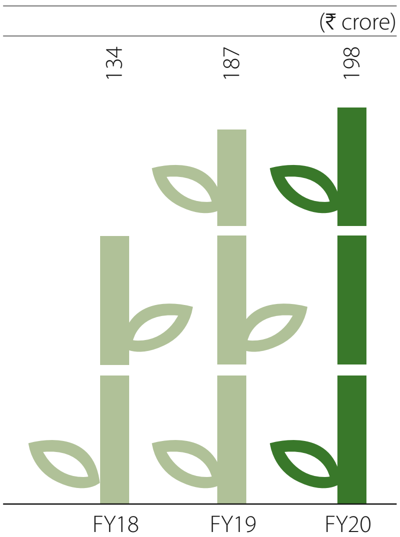
Revenue

Aggregate sales increased by 3% to ₹2,172 crore in FY2019-20 due to increasing demand and improved sales footprint.



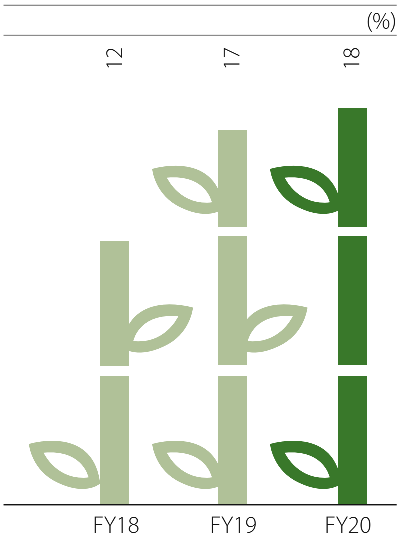
EBITDA

The Company's EBITDA increased from ₹271 crore in FY2018-19 to ₹398 crore in FY2019-20.



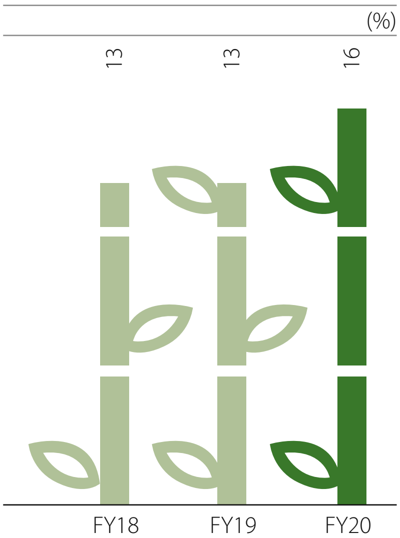
Net profit

The Company's net profit in the year under review increased by 6% to ₹198 crore.



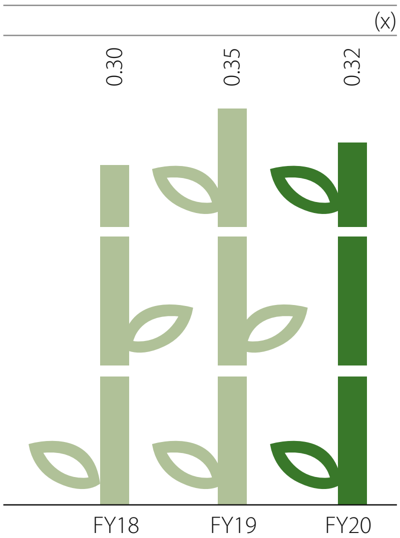
EBITDA margin

The Company reported a 156 bps increase in EBITDA margin in FY2019-20 through a superior product basket comprising value-added products and improved operating efficiency.



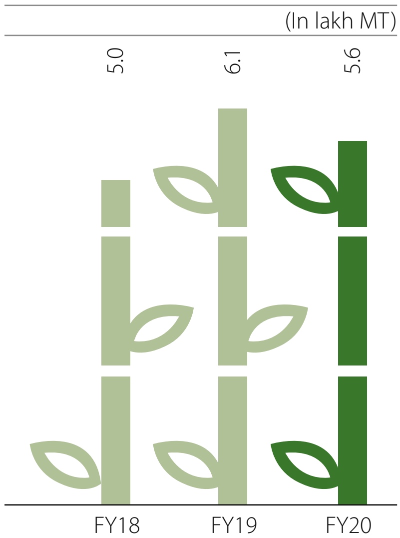
RoCE

The Company made a prudent investment in profitable niches and value-added products, strengthening returns for shareholders.



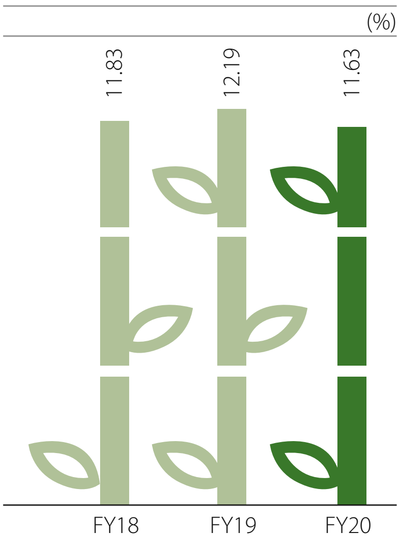
Debt-equity ratio

The Company's gearing stood at 0.32 in FY2019-20 as the Company utilised surpluses to repay debt.



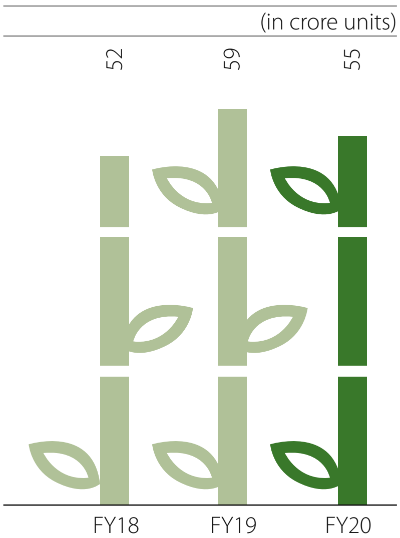
Sugar production

Sugar production in FY2019-20 decreased to 5.6 lakh MT on account of sugar diversion to ethanol through the B Heavy route.



Recovery

The Company's sugar recovery was relatively lower at 11.63% due to diversion of sugar towards ethanol.



Power production

The Company's power production reduced to 55 crore units due to no off season co-gen operations in UP on account of reduced UP power tariff.

Distillery production

The Company's distillery production increased to 68 thousand kilolitres due to higher production capacities installed during the year.

The fact that our EBITDA growth was sharper indicates the robustness of our business model and our preparedness in capitalising on improvements in sectorial realities.

I am pleased to present a record performance in the history of our Company. However, the performance would have been better but for a decline in our cogeneration earnings following a directive by the Uttar Pradesh government that moderated our tariff realisations during the year under review.

During the financial year under review, Dalmia Bharat Sugar reported an EBITDA of ₹398 crore, which is one of the highest in our existence, 13% higher than the previous fiscal. The Company reported a 6% improvement in profit after tax, which corresponded to a positive increase in earnings per share.

The fact that this improvement came following only an average 10% increase in the average realisation of our core product (sugar) represents a validation of what we always believed: that a patient accretion in manufacturing capacity, investment in superior technologies (agricultural and manufacturing), right-sizing our manufacturing facilities around sugar and by products as well as a sound financial structure would translate into a significant improvement in our operating financials the moment the sectoral cycle improves.

This turn in the sectorial cycle was evident during the last financial year when India passed through substantial decline in sugar output: from 322 lakh quintals to 272 lakh quintals in FY2019-20. This decline was on account of an aberration in climatic factors and drought-like conditions in parts of Maharashtra. This sharp decline in cane output moderated the country's sugar inventory from 5 months to 4 months of consumption. This decline in projected inventory strengthened sugar realisations by 10% during the course of the year. The fact that our EBITDA growth was sharper indicates the robustness of our business model and our preparedness in capitalising on improvements in sectorial realities.

The principal message in this communication is not a review of the Profit & Loss Account of the last financial year. The principal message is that the Company's Balance Sheet has begun to evolve and preparing to create a foundation for sustainable long-term growth. For a business that was perpetually vulnerable to cyclical impacts, we now believe that we possess the visibility of multi-year robustness where the sharpness of the growth curves will be increasingly smoothened with a greater visibility in revenue growth and profit growth across the coming years.

Interestingly, this visibility has more to do with cash flows – the heart of any successful enterprise – than revenues or profits. We believe that for a business that was perpetually engaged in growing its

THE PRINCIPAL MESSAGE IS THAT THE COMPANY'S BALANCE SHEET HAS BEGUN TO EVOLVE AND PREPARING TO CREATE A FOUNDATION FOR SUSTAINABLE LONG-TERM GROWTH.

FOLLOWING THE OUTBREAK OF COVID-19, THE COMPANY CAPITALISED ON THE OPPORTUNITY TO MANUFACTURE SANITISERS. THE PRODUCT DERIVED FROM EXTRA NEUTRAL ALCOHOL WAS WELL RECEIVED DURING THE FIRST QUARTER OF THE CURRENT FINANCIAL YEAR.

manufacturing assets through long-term debt on the one hand and mobilised adequate pipelines of working capital on the other to sustain operations, we are finally at a point where we have started deleveraging our Balance Sheet.

This deleveraging is the result of a number of developments expected to moderate the capital intensity in our business. Principally, we believe that our business is attractively sized: we possess a prudent balance of cane crushing and downstream byproduct processing capacities without making it imperative for us to buy raw materials from the outside or sell a surplus of raw materials to external agencies.

On the revenue side of our story we have a compelling story building up. In our sugar business, we expect to do two things: we expect to optimise on number of operating days and optimise the operating capacities to maximise synergies of integration. Besides, we expect to transform a larger proportion of our sugar into the packaged equivalent, strengthening our value-addition. We believe that the combination of asset-light growth and value-addition should translate into a higher return on capital employed in our sugar business.

On the ethanol side, too, we have a compelling case building up. Through the timely switch to the manufacture of ethanol through the B-Heavy route, we are generating superior return on capital compared to what we would have generated if we had selected to manufacture sugar. Our focus on the B-Heavy route resulted in around 10% of our sugar capacity being profitably allocated in this direction; not only were realisations higher but the B-Heavy route made it possible for the Company to generate correspondingly higher and quicker realisations as well as corresponding liquidity, strengthening our overall profitability in a working capital-intensive business.

The Company's distillery operations made a profitable diversification during the year under review. Following the outbreak of COVID-19, the Company capitalised on the opportunity to manufacture sanitisers. The product, derived from extra neutral alcohol, was well received during the first quarter of the current financial year. The

product not only enjoys realisations higher than ethanol but also a higher demand than available supply, a scenario that is expected to last for the next couple of years. Besides, with hygiene becoming an integral part of people's lives, we expect our sanitisers business to play a growing role in our business mix across the foreseeable future.

I am pleased to communicate that one of the decisive initiatives was in right sizing our Balance Sheet. During the year under review, the Company replaced ₹120 crore of expensive long-term debt with cheaper alternatives that moderated our cost of funds by around 160 bps, resulting in a potential saving of ₹8 crore in interest outflow in a full year's working. Besides, we repaid ₹251 crore of debt that strengthened our gearing from 0.35 to 0.32. The result is that we moderated our weighted average cost of funds significantly during the year under review. By negotiating longer repayment schedules for our subsidised debt provided by the government we have strengthened cash flow visibility while retaining the option to prepay without incurring a penalty.

The sum and substance of my communication is that your Company is entering a virtuous cycle of free cash flows starting from the current financial year. We believe that this liquidity will be reinforced through the value-added side of our business comprising our extension into sanitisers, B-Heavy route of ethanol manufacture and our prospective diversification into packaged sugar.

This underlines an important transformation in our existence: of a Company moving from business-to-business products to an increasing proportion of business-to-consumer products.

This transition will accelerate our evolution from commodity to non-commodity, transforming the DNA of our business that could in turn enhance value for all those who own shares in our Company.

Gautam Dalmia,
Managing Director

DURING THE YEAR UNDER REVIEW, THE COMPANY REPLACED ₹120 CRORE OF EXPENSIVE LONG-TERM DEBT WITH CHEAPER ALTERNATIVES THAT MODERATED OUR COST OF FUNDS BY AROUND 160 BPS.

01

How we increased cane crushing at a time of national de-growth

In FY2019-20, India's cane output declined 22%; Uttar Pradesh's cane output increased a marginal 2%; Maharashtra's cane output declined 44%. And yet, Dalmia Bharat Sugar's cane crushing increased 5% during the year under review.

The increased cane crushing at a time of national decline in cane output empowered the Company to capitalise effectively on improved sugar realisations.

This contrarian volume-driven performance was the result of the Company's consistently better payment record, which encouraged farmers to deliver larger quantities to Dalmia Bharat Sugar.

The Company had prepared for this increased farmer confidence, which manifested in a higher quantity of delivered cane.

The Company had embarked on the expansion of its Nigohi plant capacity to 9,000 TCD that became effective in time for FY2019-20 sugar season.

The Company sweated its other Uttar Pradesh units with higher capacity utilisation on account of stronger planning, cane scheduling and logistics management. The Company's average crush per day per plant increased to 7,000 TCD through the course of season, strengthening operational economies and profitability.

A similar trend was visible in the Company's Maharashtra operations, a state that reported a sharp 40% decline in sugar output y-o-y owing to drought and floods. Against this challenging background, the Company increased cane crushing by 7% in the state and reported an average 13.31% normative recovery, both being the highest in the Company's presence in Maharashtra. This resulted in the Company emerging as the most successful private sugar manufacturer in Maharashtra.

This validated the conviction that whatever the odds, the professionals at Dalmia Sugar will find a way.

Green Balance in action.

02

How we broke the average 12% recovery barrier across all our units

Jawaharpur plant

Some years ago, the average recovery for Dalmia Bharat Sugar's Uttar Pradesh units was below 10%.

The general industry perspective was that raising recovery beyond these levels would be virtually impossible.

Around that time, the management at Dalmia Bharat Sugar banked on two factors to enhance recoveries. The Company switched to the early maturing CO 0238 cane variety; it strengthened its logistics management with the objective to bring the cane in faster from the fields.

The management outlined a 12% average recovery target across its 3 plants in Uttar Pradesh.

Despite skepticism, the teams set out in pursuit of this ambitious goal. The Company's cane development teams deepened the use of the superior cane variety across the Company's command areas to around 95% of the command areas; there was a stronger cane audit across the fields; there was a stricter vigil on whether this superior variety was delivered by farmers for onward crushing; the Company invested in transportation linkages from cane collecting centres to its plants.

Progressively cane staleness declined. The just-in-time sense of urgency ensured no cane accumulation at the plants.

The result is that even as Uttar Pradesh state delivered an average recovery of 10.7% during FY2019-20 sugar season, Dalmia Bharat Sugar delivered an average recovery of 11.23% (12.07% normative) across its 3 units in Uttar Pradesh. On the backdrop of an average recovery of 12.77% (13.30% normative) in Maharashtra, Dalmia Bharat Sugar delivered an average recovery of 13.3% normative across both its units in Maharashtra during the last financial year.

Green Balance inspired.

03

How we 'ethanolised' our product mix

Nigohi plant

At Dalmia Bharat Sugar, we generated 16% of our revenues from non-sugar products until a couple of years ago.

The Company embarked on the decision to broadbase its revenue mix away from sugar thereafter.

The result of this intent was visible during the year under review.

The Company set about doubling its ethanol output from around 3.3 crore litres in FY2017-18 to capitalise effectively on the National Biofuel Policy announced in 2018. In line with the sectoral optimism, the Company invested in a 60 KLPD distillery in Nigohi (commissioned in 2019) and increased its Jawaharpur ethanol plant capacity from 80 KLPD to 120 KLPD.

The results were evident during the year under review. The Company produced 6.80 crore litres of ethanol in FY2019-20, more than 100% higher than the output a few years ago. Revenues from ethanol increased from 10% of the Company's revenues in FY2017-18 to 17% in FY2019-20.

The increase in ethanol manufactured through the B-Heavy molasses route generated superior realisations with a lower working capital outlay, strengthening the Company's profitability.

The result is evident in the numbers: the ethanol business had accounted for 14% of the Company's EBITDA in FY2017-18, which increased to 29% in FY2019-20.

What was good for the earth was good for the Company as well.

Green Balance in evidence.

04

How we strengthened our financial foundation in a sustainable way

The big message coming out of our FY2019-20 performance is that we created a robust financial foundation for the future.

In an agri-based business that is impacted by cyclicality, we believe that a financially sound foundation provides us with a platform for multi-year sustainable growth.

During the year under review, the Company right-sized its Balance Sheet in various ways.

The Company focused on maximising cash flows through the use of the B-Heavy molasses route of ethanol manufacture that was marketed faster, generating precious cash flows.

The Company repaid expensive long-term debt with cheaper alternatives.

The Company moderated its gearing from 0.35 to 0.32; it moderated its interest based on long-term debt from ₹539 crore to ₹521 crore during the year.

The Company extended its long-term debt tenure significantly, strengthening cash flow visibility.

The result was immediately evident in the financials: the Company utilised 33% less than the permitted working capital sanction, generating superior resource productivity.

Green Balance is about moderating resource use.

The impact of Covid-19 on the sugar economy and Dalmia Bharat Sugar

The outbreak of the pandemic

The COVID-19 pandemic is a defining health and economic crisis. The virus was detected in December 2020but began to disrupt the global economy starting March 2020 when it was declared a global pandemic by the World Health Organisation. Most global governments declared lockdowns and the Indian government implemented a national lockdown, starting from late March 2020.

Dalmia Bharat Sugar's responsiveness

Dalmia Bharat Sugar moved with speed in shutting its offices in India while continuing to manufacture across its facilities (on account of being a food product). The Company's management team leveraged modern digital communication technologies and infrastructure disinfection, while comprehensively implementing government directives and 'work from home' wherever applicable. In view of this, the Company's core business was not affected by the lockdown.

How Dalmia Bharat Sugar strengthened its business during the pandemic

The impact on our plant employees

- Implemented SOPs for employee safety
- Sanitised the plant every day
- Trained farmers and employees in safeguards
- Employee colony was sanitised with bleaching powder on a daily basis
- Temperature scan of all employees, farmers, vendors and visitors done on daily basis

The impact on our sugar business

- The demand for sugar was not significantly affected (being an essential commodity).
- The Company educated farmers and local communities on sanitation practices.
- The Company built on health and hygiene awareness campaigns conducted in the past.
- The Company increased crushing following jaggery and khandsari units closing down and their cane being diverted to the Company by farmers.
- The Company procured primary raw materials (lime, sulphur, etc.) from suppliers in other states and with the Government and MHA for support.

The impact on our ethanol business

- There was a sharp decline in automotive fuel demand that affected the offtake of ethanol from the sugar industry by OMCs.
- The offtake was also affected on account of manpower constraints by OMCs.
- Business began to normalise from May 2020; the OMCs resumed offtake.
- Operations were unaffected on account of superior sanitation practices at our plants.
- The Company enhanced the proportion of ethanol manufactured through B-Heavy molasses to maximise cash flows.

How Dalmia Bharat Sugar safeguarded and promoted the interests of stakeholder during the Covid-19 pandemic

Customers

Impact

- Demand of the institutional customers got affected, owing to their plant shutdowns.
- OMCs stopped lifting ethanol because demand for petrol was at a bare minimum owing to the lockdown.

Responses

- To ensure the sustenance of the topline and bottomline, the Company focused on diversifying the business and concentrating on the sugar vertical as the demand for sugar remained consistent.
- The Company worked alongside local authorities and helped other industries open up and convinced the OMCs to start buying ethanol.

Employees

Impact

- The safety of employees was a concern.
- Mental peace of employees and keeping them motivated was another challenge.
- Running the plants during the lockdown was a challenge.
- Hiring the right resources under such a situation was yet another challenge.

Responses

- The Company shut down the corporate office even before the lockdown was announced.
- The Company effected a smooth transition to working from home.
- The Company implemented a safe working environment at the plants with proper thermal screening, regular sanitation and social distancing.
- The Company run proper health and awareness campaigns in the plants and corporate offices.
- The Company leveraged technologies and continued hiring even during these difficult times and retained its position as one of the top employers in the sugar sector in terms of employee-centricity.

Investors

Impact

- Sustaining the topline and protecting the bottomline was a challenge.
- There was a threat of accumulating debt on the books.

Responses

- The Company its sustained focus on a healthy Balance Sheet and kept de-risking the business.
- The Company had cash and cash equivalents of ₹260 crore as on March 31, 2020.
- The Company focused on cost rationalisation.

Community

Impact

- The Company's plants are located in rural areas; the local communities were affected due to the lockdown as most people lost their jobs and were not earning during that time.
- The local communities needed to be educated about proper sanitation measures.

Responses

- The Company provided dry rations for migrant labourers.
- The Company distributed free sanitisers to essential workers in its areas of operation.
- The Company visited local workplaces in its areas of operation and sanitised them.
- The Company educated the local communities about proper sanitation practices.

Farmers

Impact

- Liquidity crunch faced by the farmers.
- The farmers also faced challenges owing to a low awareness about proper sanitation practices.

Responses

- Sugar, being an essential commodity, was not affected by the lockdown.
- The Company continued making timely payments to farmers.
- The Company organised sanitation awareness campaigns for farmers.

Suppliers

Impact

- There was unrest due to trade disruptions across the country.
- The number of stoppages increased, thus increasing the transit time of materials.
- There was a liquidity crunch faced by suppliers.

Responses

- The Company monitored each vehicle and stayed connected with drivers of each vehicles to counter transportation challenges.
- The Company managed cash flows and ensured no payment deferrals to suppliers.

Our stakeholder value creation model

Overview

The Integrated Value-Creation Report represents the cornerstone of corporate success. This new measure overcomes the limitations of the conventional approach with a more comprehensive framework that captures a wider set of initiatives and addresses a larger family of stakeholders.

The Integrated Reporting approach explains the sectoral context, analyses corporate strategy and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital how an organisation enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.

Sectorial opportunities

Demography
A lion's share of 66% of India's population accounts for population below the age of 35 years, with the median age of the country being pegged at ~28 years, compared to a global average of 30 years. This majority of youth population in the country will drive the demand for sugar across the country.

Increasing incomes
The nominal per-capita net national income in FY2019-20 was estimated at ₹1,34,226, a rise of 6.1% compared to ₹1,26,521 in FY2018-19, driving consumption.

Increasing demand of confectionery
The Indian chocolate market was pegged at US$ 1,495 million in 2018 and is projected to grow attractively on the back of an increasing youth population, westernisation and urbanisation.

Headroom for growth
The per capita consumption of sugar in India was pegged at 18.5 kilogram in FY2017-18 compared to a global average of 22.6 kilogram for the same period, showing headroom available.

(Source: IMARC, Statista, Economic Times, Financial Express, MoSPI, India Times, ISO Sugar)

Drivers of Dalmia Bharat Sugar's value

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

Our employees are our assets on whom our entire workflow is dependent. The employees are integral part of each and every business vertical and across a range of functions (procurement, manufacturing, marketing, technology and finance, among others). Our focus is to provide an exciting workplace, generate stable employment and enhance productivity.

Our farmers are of utmost importance to us. We have been constantly focused on creating longstanding relationship with farmers, we were able to crush more cane in Maharashtra in FY2019-20 against the backdrop of a 40% fall in the state's sugar output.

Our suppliers provide credible and a continuously supply of resources other than cane, which are required for the production of sugar. Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability

Our customers are the reason behind us scaling our business, debottlenecking our plants, increasing our efficiencies and producing quality sugar. Since there is a supply glut in the market, our focus is to not only sell to a larger number of customers, but also diversify our business and sell other products like ethanol by channelising our surplus sugar into a profitable business.

Our communities provide us with not only human capital but also natural resources and infrastructure, which we leverage to our advantage. We believe in giving back to the community. Our focus is to support local communities in our areas of operations through consistent engagement.

Our government is of greatest importance to us, owing to the fact that the Government is principally responsible for the success of sugar producers in the country. The increasing MSP, export policies and improved ethanol prices, spearheaded by the Government, have helped us sustain profits over the years. Our focus is to play the role of a responsible citizen.

At DBSIL, we believe that the prudent interplay of the value generated by each and our consistent payback ensures business sustainability and the ability to enhance organisational value.

Jawaharpur plant

The resources of value-creation

Financial capital
The financial resources driving the Company comprise mobilisations from investors, promoters, banks and financial institutions (debt or net worth).

Manufactured capital
The Company's manufacturing infrastructure, technologies and equipment constitute its manufactured capital.

Human capital
The Company's management, employees and contractual workers constitute its human capital.

Intellectual capital
The Company's repository of proprietary knowledge forms a part of its intellectual capital.

Natural capital
The Company depends upon cane growers for sourcing raw materials and on natural resources like water and energy.

Social capital
The Company's enduring ties with the stakeholder community and channel partners (cane growers, agents and customers) provide it with the respectability accorded to a responsible corporate citizen.

Key enablers

Employee focus

- Dalmia Bharat Sugar, being a people-centric Company, undertook skill development programmes and increased employee engagement in the year under review, ensuring a strong retention rate of 95%.
- The Company trained several recruits during the year under review; learning hours per employee per year was 10 hours in FY2019-20
- The key during the lockdown period, owing to the COVID-19 outbreak, was communication. The constant communication with employees helped keep them motivated and the workflow up and running, validating the Company's established people policy.

Farmer focus

- The Company trains farmers about new and improved techniques.
- Maharashtra saw a 40% decline in sugar output, but Dalmia Bharat Sugar leveraged its superior farmer-centricity and recorded the maximum crushing in its history of operations in Maharashtra.
- The Company has been increasingly engaging with the farmers over the years, validated by the fact that most of the farmers are associated with Dalmia Bharat Sugar for 5 years or more.

Customer focus

- The Company took proactive steps like using molasses to manufacture ethanol, which, when blended with petrol, enhances the eco-friendliness of fuel and makes the world a better place.
- The Company focused on sustaining the quality of its sugar and ethanol, despite the headwind of lower cane production in the country.
- The Company increasingly focused on enhancing its product quality aided by scientific research and collaboration with marquee research institutes.

Supplier focus

- This established product quality helped the Company emerge as a trusted supplier to FMCG giants.
- The robust distribution network across the country has helped the Company spread its presence.
- Superior engagement with suppliers.

Shareholder focus

- On the back of increasing investments in world-class equipment, capacity expansion and operational integration, the Company optimised costs.
- The Company opted for soft loans at subsidised interest rates to reduce the cost of capital.
- Dalmia Bharat Sugar uses early-maturing cane varieties as an alternative to other cane varieties, reducing dependence on monoculture, ensuring better margins.
- The Company diverted around 8% of sugar in FY2019-20 towards ethanol production, owing to better margins from that segment.

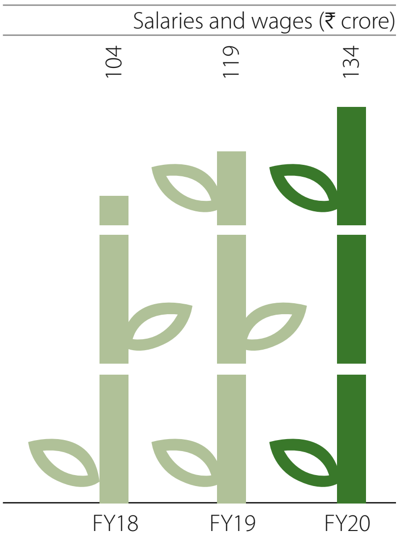
Community focus

- The Company is an established corporate citizen and believes in giving back to society.
- During the year under review, the Company invested in community uplift and livelihood generation of local people in the area of its operations.
- The Company took proactive steps towards energy, soil and water conservation, skilling of local people and social development in local communities.
- The Company undertook heavy investments in its processes and strengthened its best-in-class effluent treatment plants.

Government focus

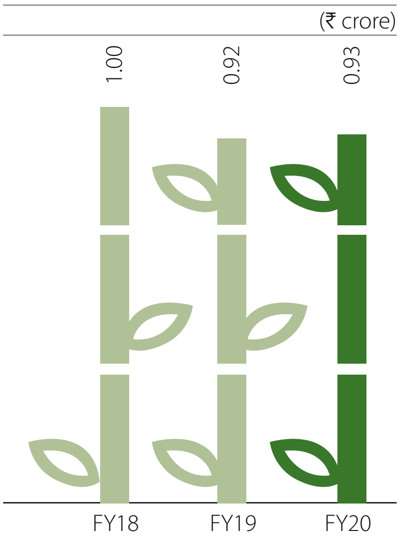
- The Company received extensive support from the Government, following MSP at remunerative levels that the sugar manufacturing companies are able to profit from.
- The Company made a timely payment of taxes and in the year under review, paid tax amounting to ₹44 crore.
- Dalmia Bharat Sugar is a green company and uses its bagasse (waste material) to generate power.

Our value-creation in numbers



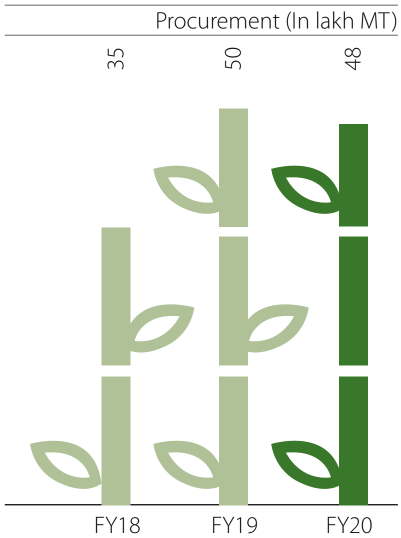
Employee value

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



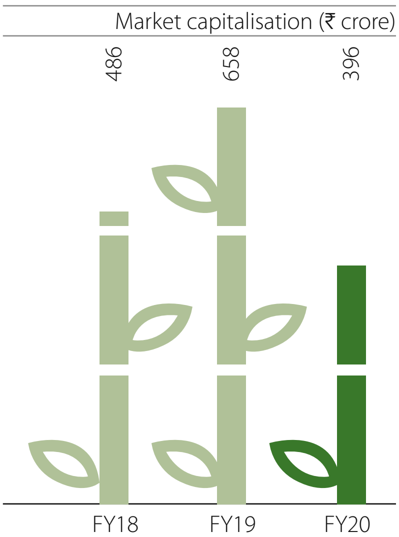
Revenue per person

The Company's investment in its people (training, empowerment and career growth) translated into a high productivity as measured in terms of revenue per person.



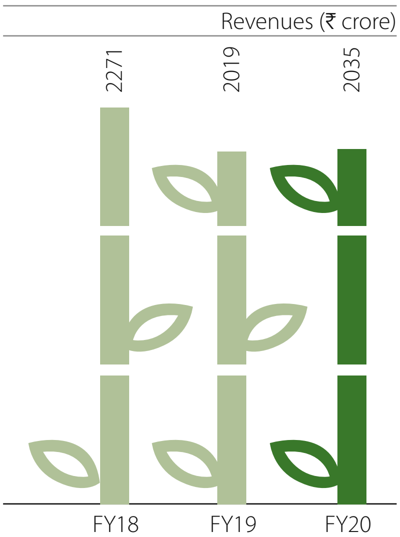
Supplier value

The Company procured a larger quantum of resources through the years, strengthening procurement economies.



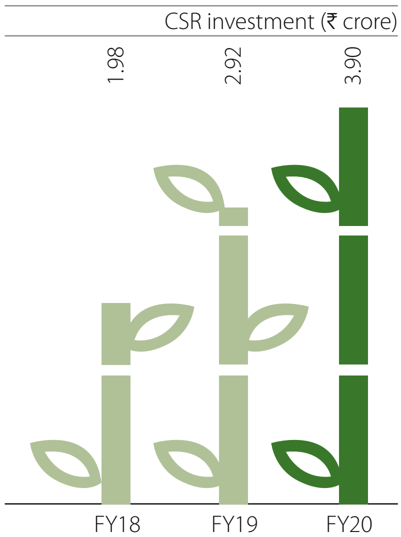
Shareholder value

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



Customer value

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



Community

The Company enriched communities in the geographies of its presence through various community upliftment programmes.

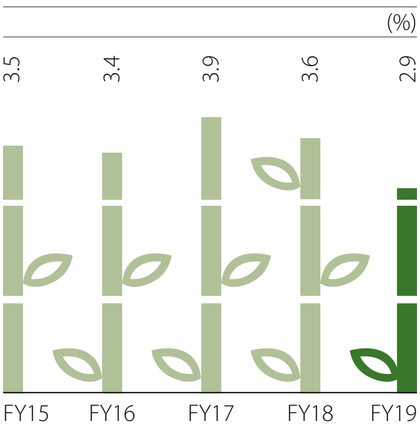
Management Discussion And Analysis

Global economic review

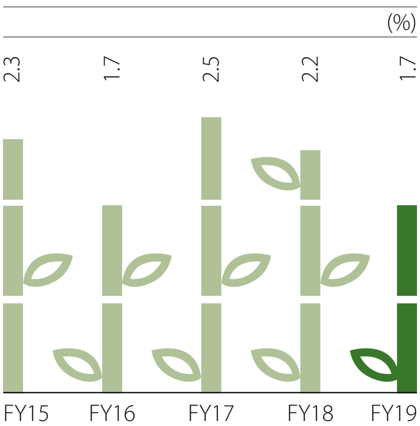
The global economy grew slower by 70 bps at around 2.9% in 2019 compared to 2018. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth. The pandemic COVID-19 is projected to shrink global growth significantly in the foreseeable future. As a result of the novel corona virus pandemic, the global economy is expected to de-grow significantly in the current financial year.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

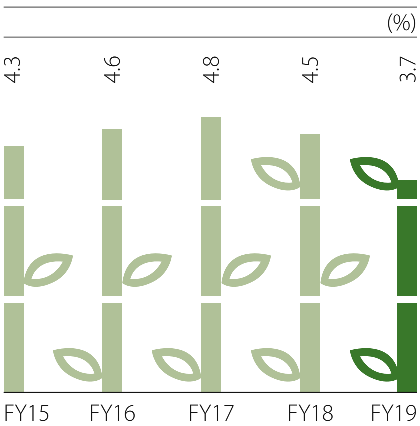
Global economic growth over four years



World output



Advanced economies



Developing and emerging

(Source: IMF)

Indian economic review

Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. In FY2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumes an average of ₹75 per US dollar.

The nominal per capita net national income was estimated to be ₹1,34,226 in FY2019-20, up 6.1% from ₹1,26,521 in FY2018-19. Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020. Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued averaging around 3.4% and 3.3%, respectively during FY2019-20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

Growth of India's GDP in FY2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4,FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Key government initiatives

National infrastructure pipeline

To achieve a GDP of US$ 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

Corporate tax relief

Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Global sugar sector overview

Sugarcane accounts for nearly 80% of global sugar production. Global sugar production for FY2019-20 is estimated at 167 million tonnes compared to 175 million tonnes in FY2018-19 sugar season. Global trade flow for the same period is estimated to be 55 million tonnes; same as last year. Global consumption for sugar season FY2019-20 is estimated at 176 million tonnes compared to 174 million tonnes in sugar season FY2018-19. However, while taking the consumption number, assessment of the COVID-19 impact on consumption was not been considered and actual consumption numbers could be lower than assumed.

(Source: ISO)

Ten largest sugar producing countries

(Source: ISO)

- Brazil
- India
- China
- Thailand
- United States of America
- Russia
- Mexico
- Pakistan
- France
- Germany

Ten largest sugar consuming countries

(Source: USDA)

- India
- European Union
- China
- United State
- Brazil
- Indonesia
- Russia
- Pakistan
- Mexico
- Egypt

Overview of key sugar manufacturing geographies

Sugar production in Thailand for FY2019-20 is estimated at 8.3 million tonnes, registering a decline of 6.1 million tonnes due to lower sugarcane crush, which was a result of draught across the country, with the central and north-east regions particularly hard hit.

China's sugar production during FY2019-20 is estimated to be 10.4 million tonnes on the back of slightly reduced cane and increased beet production area. China is expected to produce around 9 million tonnes of sugar from sugarcane and 1.4 million tonnes from beet. China's annual consumption for FY2019-20 is estimated at 16.5 million tonnes.

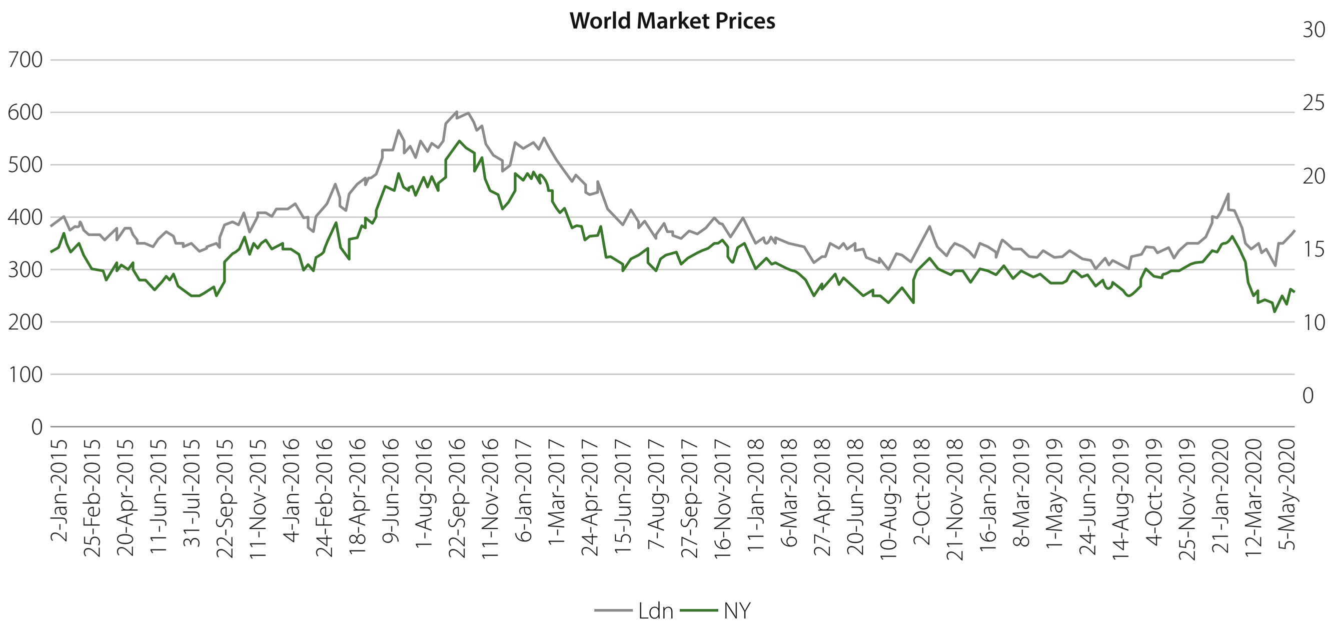
Brazil's sugar production for FY2020-21 is estimated at 33.6 million tonnes, registering a growth due to increasing quantities of sugarcane being diverted towards sugar production. 45% of the total sugarcane output is expected to be used for sugar as opposed to 35% in last year.

Sugar production in the United States of America for 2019-20 is finalised at to 8.04 million tonnes owing to poor harvest conditions for both sugarcane and beet. (Source: USDA)

Global sugar price trends

Sugar prices in the international markets surged to a two-and-a-half-year high of 15 cents per pound for raw sugar and around US$ 410 per tonne for which, sugar during March 2020 saw a sharp fall owing to COVID-19 uncertainties. According to the International Sugar Organisation (ISO), the ISO white sugar price index is expected to stand at US$ 356 (approximately ₹27,000) per tonne at the end of May 2020. The turmoil in financial markets during the last quarter also resulted in non-commercial participants reconsidering market views and financial commitments. While sugar fundamentals have changed marginally, relative to the commercial reality of the COVID-19 shutdown, traders nonetheless abandoned long positions within sugar.

Global price trend



Indian sugar industry overview

Domestic sugar production for sugar season FY2019-20 is estimated at 27.2 million tonnes compared to 33.1 million tonnes in FY2018-19, registering a decline of 17.8% year-on-year. This is primarily due to the decline in cane availability in Maharashtra and Karnataka, following the drought, heavy rainfall and water-logging across different areas during the monsoon months (August-September 2019) coupled with the diversion of sugar towards the production of ethanol through the B and C Heavy molasses and sugarcane juice routes.

Till 31st May, 2020, sugar mills across the country had produced 26.85 million tonnes of sugar, vis a vis 32.76 million tonnes produced during the corresponding period of the previous year, recording a 18% de-growth.

The crop in the two main sugarcane growing states - Maharashtra and Karnataka, which contribute around 35-40% of country's sugar – were adversely impacted. The total cane acreage stood at 48.31 lakh hectares, about 12% less than SS FY2018-19.

The estimated consumption of sugar for FY2019-20, taking into account impact of COVID-19, is pegged at ~25 million tonnes. However, the industry carries an all-time high carry-over stock of 14.6 million tonnes during the year under review, implying a sugar oversupply. According to ISMA, it was expected that out of 60 lakh tonnes of maximum admissible export quantity (MAEQ), sugar mills would achieve an export target of only over 50 lakh tonnes in SS FY2019-20.

During SS FY2019-20, 459 sugar mills started crushing operations, vis a vis 527 mills which operated in SS FY2018-19. Sugar mills across the country owed around ₹16,000 crore to sugarcane farmers by end of April 2020. The minimum support price (MSP) was increased from ₹29 per kilogram to ₹31 per kilogram, in order to support sugar prices in the last season.

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

Sugar stock balance (in million tonnes)

Year	Opening balance	Production	Consumption	Closing balance
2010-2011	4.98	24.4	20.8	6.00
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	3.88	32.5	25.4	10.72
2018-2019	10.72	33.1	25.5	14.6
2019-2020 (e)	14.6	27.2	25.0	11.6

(Source: ISMA)

Indian cane cost trends

The FRP is the minimum price that sugarcane farmers are legally guaranteed to get from sugar mills. The Fair and Remunerative Price was fixed at ₹275 per quintal with the objective to achieve 10% of basic recovery. The CCEA also approved to provide a premium of ₹2.75 per quintal for every 0.1% increase above 10% in the recovery. The cost of sugarcane production has been fixed at ₹290 per quintal.

(Source: PIB, the Hindu Business Line)

FRP (₹/Quintal)

Year	FRP
2009-2010	130
2010-2011	139
2011-2012	145
2012-2013	170
2013-2014	210
2014-2015	220
2015-2016	230
2016-2017	230
2017-2018	255
2018-2019	275
2019-2020	275

(Source: Economic Times, the Hindu Business Line)

State-wise analysis

In Uttar Pradesh, 119 sugar mills were involved in the crushing of sugarcane. As on 31st May, 2020, production of sugar by sugar mills is estimated at 12.55 million tonnes compared to 11.79 million tonnes produced during the same period in the previous season. Uttar Pradesh mills sold molasses at ₹4,000-4,500 per tonne, substantially lower/higher than 2018-19. Power dues amounted to ₹1,580 crore by the Uttar Pradesh Power Corporation to the mills in Uttar Pradesh for supplying cogenerated power as on 22nd June 2020. Further, the Uttar Pradesh government increased the quota of molasses in distilleries from 12.5% to 18% as a result of the shortage of molasses from the estimated 5.5 million tonnes to 4.7 million tonnes. The sugarcane acreage in India's leading sugarcane and sugar producing state, Uttar Pradesh, was lower than SS FY2018-19. However, considering the crop condition and weather conditions coupled with the diversion of sugarcane from jaggery (gur) to sugar due to lockdown and area under the high yielding cane varieties in the state, sugarcane production is higher than expected.

In Maharashtra, sugar production stood at 6.01 million tonnes compared with 10.67 million tonnes produced last year, almost 4.66 million tonnes less. In case of Karnataka, 63 sugar mills produced 3.38 million tonnes of sugar compared to 4.32 million tonnes of sugar produced by 67 mills during the previous season. In Tamil Nadu, out of 26 sugar mills which operated this season, sugar production stood at 0.58 million tonnes, compared with 0.725 million tonnes produced by 32 sugar mills last year. Gujarat produced 0.93 million tonnes of sugar compared to 1.12 million tonnes of sugar produced last year. The remaining States (Andhra Pradesh, Telangana, Bihar, Uttarakhand, Punjab, Haryana, Madhya Pradesh, Chhattisgarh, Rajasthan and Odisha had collectively produced 3.4 million tonnes till 31st May, 2020.

(Source: Indian sugar, ISMA)

Sectoral impact of COVID-19

Sugar sales/dispatches were affected due to the country-wide lockdown and consequent closure of restaurants, malls, movie halls, etc., which in turn has impacted the demand for sugar sweetened products like ice cream, beverages, juices, confectioneries and sweets, among others. Almost 65% of the sugar consumption in the country is by bulk buyers; the domestic demand of 1 to 1.5 million tonnes of sugar disappeared during the lockdown.

(Source: ISMA)

Sugarcane drivers

50 million farmers and their families are dependent on sugar

- An average sugar factory employs 30,000 farmers.
- Small and marginal farmers have an average farm size pegged at 1-2 hectares.

Most of the sugar plants are located in rural areas

- This directly impacts the rural economy, driving employment development of the local communities.
- A lion's share of 70% of the Indian population comprises the rural population.

The consumption of sugar is generally higher in Indian owing to the taste preference in the country

- Sugar forms an integral part of celebrations, successes and festivals.

Growth drivers

Rising income

The nominal per-capita net national income during 2019-20 is estimated at ₹1,34,226 compared to ₹1,26,521 during 2018-19, registering a growth of 6.1%, driving consumption. (Source: MoSPI)

Population growth

India's population has grown from 555.2 million in 1970 to 1.36 billion in 2019, a 146% expansion, which is driving the sugar consumption in the country. (Source: India Today)

Booming chocolate market

The Indian chocolate market stood at US$ 1,495 million in 2018 and has been driving the sugar over the years. (Source: IMARC)

Increasing confectionery sales

The total revenue generated from the Indian confectionery industry is estimated at ~US$ 12,606 million in 2020, driving sugar consumption in the country.

(Source: Statista)

Robust soft drink consumption

India's per capita soft drink consumption is expected to increase attractively from 44 bottles in 2016. (Source: Economic Times)

Governmental initiatives

- The Government created a buffer stock of 40 lakh tonnes of sugar, costing the exchequer ₹1,674 crore.
- The government provided millers an export subsidy of ₹10,448 per tonne, which was shifted directly to the bank accounts of farmers to settle cane arrears.
- The Government provided an assistance of ₹6,268 crore to help mills export 60 lakh tonnes of sugar.
- The Government cleared a soft-loan package of ₹15,000 crore with an interest subsidy of ₹3,355 crore to companies setting up distilleries for producing additional capacities as a part of the ethanol-blending programme. This was in addition to the ₹1,332 crore interest subvention on soft loans by sugar mills announced in June 2018.

(Source: Business Standard, Economic Times)

SWOT analysis

Strengths

- India is the second-largest producer of sugar after Brazil and has the capability to be self-reliant in sugar.
- Provides direct employment including ancillary activities to millions.
- Bagasse from sugar cane provides scope for setting up of cogeneration plants.
- Possesses rich arable land for cane cultivation.
- Empowering rural communities through a constant source of income.

Weaknesses

- Average production capacity is low as compared to other leading sugar producing countries.
- Many sugar factories are more than 40 years old, marked by legacy technologies.
- Mills mainly produce plantation white sugar, with relatively low export demand.
- High dependence on rainfall and monsoon season.

Opportunities

- Increasing domestic demand.
- Diversification into ethanol production.
- Investment in cutting-edge technology for by-product utilisation.

Threats

- Drop in demand due to pandemic.
- The industry's performance is influenced by rainfall, soil, sunshine, pests, transportation costs and competing crop realisations.
- Negative publicity against sugar-based products.

Indian ethanol sector overview

The average ethanol blend rate in India was estimated at 5.8% in FY2019-20 compared to 4.1%in FY2018-19. The oil companies placed tenders for 5.11 billion litres of ethanol in FY2019-20; whereas sugar mills possessed a total installed capacity of only 3.55 billion litres. In the first tender for FY2019-20, 1.63 billion litres of ethanol was offered to oil marketing companies (OMC), 13.29% less than SS FY2018-19 owing to lower sugarcane output coupled with portable alcohol manufactures offering better prices.

The Government plans to create an enabling environment that more than doubles ethanol production and increases blending of ethanol with petrol to reduce oil imports. The government expects that ethanol production capacity could increase from 3.55 billion litres to 9 billion litres by 2022. Ethanol is produced directly from cane juice, B-grade and C-grade molasses. The price of ethanol from sugarcane juice has been fixed at ₹59.48 per litre while ethanol extracted from C-grade molasses fetches ₹43.75 per litre and that from B-grade molasses fetches ₹54.27 per litre. The government targets to divert around 8,00,000 tonnes of surplus sugar per annum across the next two years towards ethanol production to maximise sectorial profitability.

In Uttar Pradesh, 25 sugar mills commenced ethanol production from B Heavy molasses, providing precious liquidity to the state sugar sector during a glut. It is expected that by FY2021-22, about 60 sugar mills in UP would be producing ethanol from the B Heavy molasses route.

(Source: Economic Times, Business Standard)

Impact of COVID-19 on ethanol

In past few quarters sugar mills invested attractively in ethanol manufacture. However, the virus outbreak resulted in country-wide lockdowns due to which the demand for vehicular fuel dropped drastically. Owing to this, several OMC depots started witnessing slower petrol offtake, which created a supply glut in the face of no demand. Further, a shortage of storage and mixing spaces in the hands of OMCs and ethanol plants affected sectoral viability. Since the ethanol requisition was contracted by the OMC targeting a 10% fuel mixing ratio, a reduction in fuel demand impacted ethanol requirements. Various ethanol manufacturers began manufacturing sanitisers during the period to address growing demand amidst the pandemic.

(Source: ISMA)

Indian co-generation sector overview

India's total installed capacity of captive power plants set up by commercial and industrial consumers amounted to 9200 megawatts in 2019-20. The Government incentivised the sector through the following incentives:

- Capital subsidy of ₹18 lakh X (C MW)^0.646 could be availed by private sugar mills for bagasse cogeneration power projects.
- Cooperative/public sector sugar mills with steam pressure 40 bar and above could avail a capital subsidy of ₹40 lakh per MW of surplus power fed to the grid subject to a maximum support of ₹8 crore per project.
- Cooperative/public sector sugar mills with steam pressure 60 bar and above could avail a capital subsidy of ₹50 lakh per MW of surplus power.
- In 2019, 130 biomass power projects generating 999 MW and 158 bagasse cogeneration (simultaneous production of electricity and thermal energy in sugar mills) projects generating 1666 MW of surplus energy to feed the grid were installed.

(Source: Indian Infrastructure Research, Business Wire, Economic Times)

State-wise review

Our operations in Uttar Pradesh

3
Number of facilities

2,500
Total crushing capacity of sugar at inception (tonnes per day)

24,000
Total crushing capacity of sugar today (tonnes per day)

Overview

Dalmia Bharat Sugar embarked on the sugar business front with its first unit in Uttar Pradesh in 1994. Following this, the Company expanded its presence to three locations in Ramgarh, Jawaharpur and Nigohi, emerging as one of the major players in sugar industry in India. In the year under review, the state saw a sustained growth in sugar production, on the back of which, the Company's sugar production in the geography grew as well.

Cane management

Dalmia Bharat Sugar focuses on cane development in order to improve cane cultivation, educate farmers, reduce losses and varietal rejections. The Company has in place *kisan sewa kendras* near its sugar mills, in order to distribute fertilisers, pesticides and farm equipment to the farmers at subsidised rates. Further, the Company also focuses on cultivation of high-yield cane varieties, in order to increase the yield of farmers.

Strengths

- The Nigohi plant is the Company's only plant producing sulphur-less sugar.
- The Nigohi distillery plant also has an incineration boiler place, ensuring plant run of 330 days and ensuring zero liquid discharge from the distillery process.
- Almost 70% of the cane at Ramgarh is procured from gate selling, wherein the farmers transport their canes to the plant and sell them at the gate of the plant.

Challenges

One of the major challenges the Company faced in its Uttar Pradesh operations is the decrease in power tariff from ₹5/unit to ₹3/unit in the year under review. In order to mitigate this challenge, the Company stopped running its co-gen plants in the off-season and instead sold the bagasse to paper manufacturers, which helped the Company sustain margins.

Highlights, FY2019-20

- Installed an incineration boiler in Jawaharpur in the year under review, which helps in burning the spent wash owing to its calorific value and derives energy out of this. This helped the Company reduce its bagasse requirements for the process by a whopping 70%.
- Focused extensively on increasing the recovery rate of sugar on the back of early varietal cane and efficient processes.
- Produced ethanol through the B-Heavy route for the first time ever.

Recovery supremacy

12.07
Average normative sugar recovery of Dalmia Bharat Sugar's 3 plants in Uttar Pradesh (in %)

10.7
Average sugar recovery of Uttar Pradesh (in %)

Our operations in Maharashtra

2
Number of facilities

2,500
Total Crushing capacity of sugar at inception (tonnes per day)

11,500
Total crushing capacity of sugar today (tonnes per day)

Overview

The Company established its first sugar manufacturing unit in Maharashtra in 2013 at Kolhapur. Currently, the Company is operating at two locations in Maharashtra, namely Kolhapur and Ninaidevi. Over the years, the Company's Maharashtra operations expanded beyond sugar manufacture to ethanol production and cogeneration. FY2019-20 saw >40% decline in its sugar output y-o-y, owing to droughts and floods. Against the backdrop of a disappointing performance, the Company recorded the maximum cane crushing and recovery rate in its history of operations in Maharashtra.

Strengths

- The quality of cane sourced from the nearby areas of Kolhapur and Ninaidevi are of impeccable quality.
- The Kolhapur plant is strategically located near a port, which, in turn, strengthens our export operations.
- The Kolhapur plant is fully integrated and has enough capacity to distil molasses from the Ninaidevi plant as well.

Challenges

The year saw huge headwinds in terms of the state's cane output. The Company crushed the maximum cane owing to successfully leveraging its longstanding relationship with farmers, who reached out to Dalmia Bharat Sugar to sell their cane. The Company has been able to establish this relationship on the back of better payment policies and extensive farmer engagement.

Highlights, FY2019-20

- Focused extensively on increasing the recovery of sugar on the back of early varietal cane and efficient processes.
- Produced ethanol through the B-heavy route for the first time ever.

Recovery supremacy

13.3
Normative average sugar recovery of Dalmia Bharat Sugar's 2 plants in Maharashtra (in %)

11.5
Average sugar recovery of Maharashtra (in %)

Divisional analysis

01 Our Sugar business

	2018-19	2019-20	Increase/decrease
Sales volumes (lakh tonnes)	5.32	4.85	(8.83%)
Recovery rate (in %)	12.19	12.38	19 bps
Contribution to revenues (%)	77.95	77.24	(71 bps)
Contribution to EBITDA margin (%)	13.79	40.53	2674 bps

Overview

This business segment accounted for the lion's share of revenues, pegged at 77.24%. This business was responsible for the Company's brand, visibility and sustainability. The industry is marked by a supply glut and saw lower production in some geographies due to flood and droughts. Against this backdrop, Dalmia Bharat Sugar saw a profitable year with lower breakdowns and higher recovery efficiency, outperforming the industry.

Strengths

- The Company leveraged its Group strengths to emerge as a prominent sugar producer in the country.
- The Company retained its position as the only sugar producing Company from Uttar Pradesh to manufacture in Maharashtra.
- The Company focused on increasing its efficiency, validated by its sugar recovery rate (an average recovery above 12%).
- The Company has a 95% composition of early varietal cane in its cane mix, thus ensuring better quality and recovery efficiency.

Challenges

- The industry is marked by the challenge of supply glut, making it difficult to retain margins and sustain the business in the long run. The Company mitigated this challenge by diversifying the business and diverting 10% of its molasses to produce ethanol through the B Heavy route for the first time.

Highlights, FY2019-20

- The Company increased the early varietal cane (238) in its cane mix from 80% (5 years ago) to 95% in the year under review.
- The Company increased its sugar recovery from 10% (5 years ago) to >12% across all its 5 plants in the year under review owing to the increasing use of early maturing cane, improved farmer engagement and education on increasing yields.

Outlook, FY2020-21

- Increase plant efficiencies further to improve recovery and margins.
- Reduce dependence on the CO 0238 variety and build a strong pipeline of 20-25 early maturing varieties, ensuring de-risking.

02 Our Distillery business

Ramgarh plant

	2018-19	2019-20	Increase/decrease
Sales volumes (Kilolitres)	50110	63607	26.94%
Recovery rate (in %)	22.35	24.96	261 bps
Contribution to revenues (%)	11	15	400 bps
Contribution to EBITDA margin (%)	34	29	(500 bps)

Overview

The Company forayed into this business in FY2016-17 with the commencement of the distillery operations at Maharashtra. The Company has leveraged the increasing focus of the Government on ethanol blending to strengthen its distillery business. Further, the sourcing of molasses from its sugar manufacturing unit helped the Company moderate procurement costs and de-risk from material non-availability. This business segment has come to the integrated sugar manufacturers as an opportunity, which is driven by the Ethanol Blending Program (EBP) of the Government. The Company saw an opportunity in the B-Heavy ethanol production in the year under review, owing to its superior realisations and started production of ethanol through the B-Heavy route.

Strengths

- Dalmia Bharat Sugar possesses the ability to service customers with a diversified distillery portfolio (ethanol, rectified spirit and extra neutral alcohol).
- The Company commenced the manufacture of sanitisers, a profitable niche.
- The availability of good quality molasses, which ensures superior ethanol recovery rate.
- The distilleries ran at a capacity utilisation of more than 100%.

Challenges

During the rainy season handling the spent wash from the distilleries posed a challenge. To mitigate this challenge, the Company installed an incineration boiler at Jawaharpur, which helped the Company run the distilleries effectively even during the monsoons.

Highlights, FY2019-20

- Installed the incineration boiler in its Jawaharpur plant to ensure year-long operations at the distillery.
- In the year under review, the Company forayed into B-Heavy ethanol production for the first time and produced 6 crore litres of ethanol through the B-Heavy route, almost 75% of the total ethanol production.
- Increased the proportion of revenues accounted by ethanol segment from 10% in FY2017-18 to 15% in FY2019-20.

Outlook, FY2020-21

- Scale capacities to distil more B-Heavy ethanol.
- Increase B-Heavy production, which fetches better realisations.

03 Our Cogeneration business

	2018-19	2019-20	Increase/decrease
Revenue from power exports, (₹ crore)	214	152	(28.97%)
Contribution to revenues (%)	10	8	(200 bps)
Contribution to EBITDA margin (%),	54	29	(2500 bps)

Overview

The Company forayed into the cogeneration business in 2007-08 when Dalmia Bharat Sugar commissioned its co-generation plant with a capacity of 79 megawatts in Uttar Pradesh to efficiently utilise bagasse (byproduct of sugar). Today, Dalmia Bharat Sugar stands tall with a cogeneration capacity pegged at 102 megawatts spanning 4 units. Of this capacity, ~28.71% of the total power was insourced by the sugar business and consumed captively in FY2019-20 before exporting the rest to the state electricity grid.

Strengths

- Dalmia Bharat Sugar insources its entire power requirement from its co-generation plant.
- The Company equipped its Kolhapur plant with cutting-edge technology to increase power generation per tonne of cane, translating into better efficiency and superior offtake.

Challenges

- The year saw a drop in power tariffs from ₹5 per unit to ₹3 per unit in Uttar Pradesh. This would have resulted in a huge loss. Hence, the Company decided to not run the co-gen plant in the off-season and focused on selling bagasse to paper manufacturers, which helped the Company sustain profits.

Highlights, FY2019-20

- The year was not good for the Company's co-gen business, owing to a fall in power tariffs and lower power consumption.
- Despite these headwinds, the Company was not affected due to its minor revenue share in the business segment.

Outlook, FY2020-21

- The Company expects to leverage better power tariffs in Maharashtra to sustain the business.

Finance review

Key performance metrics

Parameters	FY2018-19	FY2019-20
Total revenue (₹ crore)	2,105	2,172
EBITDA (₹ crore)	353	398
PBT (₹ crore)	204	252
PAT (₹ crore)	187	198
Earnings per share (₹)	23.15	24.46

Analysis of the profit and loss statement

Revenues

The revenues from operation of the Company stood at ₹2,035 crore as against ₹2,019 crore in the preceding year. The other income of the Company reported 58% growth, largely driven by Government Grant and Cane Incentive. Other income accounted for only 6.3% of the Company, reflecting the Company's dependence on core business operations.

Expenses

Total expenses of the Company increased from ₹1,902 crore in FY2018-19 to ₹1,920 crore in FY2019-20, largely on account of employee cost. Raw material cost, comprising 75% of the Company's revenues in FY2019-20 (82% in FY2018-19), decreased 7% from ₹1,736 crore in FY2018-19 to ₹1,631 crore in FY2019-20.

Employees' expenses, comprising 6.1% of the total revenues, increased 0.5% from ₹118.66 crore in FY2018-19 to ₹133.64 crore in FY2019-20, owing to increased operations base as well as increasing employee welfare expenses.

Analysis of the Balance Sheet

Sources of funds

The net worth of the Company increased 3.79% from ₹1,549.75 crore as on 31st March 2019 to ₹1,608.49 crore as on 31st March 2020. The Company's equity share capital comprising 8.09 crore equity shares of ₹2 each, remained unchanged during the year under review.

Long-term debt: Long-term debt of the Company decreased 2.10% from ₹519.88 crore as on 31st March 2019 to ₹508.98 crore as at 31st March 2020 due to repayment. Long-term debt-equity ratio of the Company stood at 0.32 in FY2019-20 compared to 0.35 in FY2018-19.

Finance cost: Finance cost of the Company increased 28.82% from ₹68.61 crore in FY2018-19 to ₹88.38 crore in FY2019-20. The Company's interest cover stood at a comfortable 4.50 times in FY2019-20 (5.14 times in FY2018-19), reflecting comfort in servicing interest.

Applications of funds

Fixed assets (gross) of the Company increased 4% from ₹2,144 crore as on 31st March 2019 to ₹2,232 crore as on 31st March 2020, largely owing to capitalisation of the Nigohi distillery and Jawaharpur distillery expansion. Depreciation on assets increased 11% from ₹51.55 crore in 2018-19 to ₹57.23 crore in FY2019-20 owing to Ninaidevi depreciation (majorly co-gen segment).

Investments

Non-current investments of the Company increased from ₹198.43 crore as on 31st March 2019 to ₹252.55 crore as on 31st March 2020 on the back of optionally convertible debentures of Himshikhar Investment Ltd.

Working capital management

- Current assets of the Company increased 14.88% from ₹1,626 crore as on 31st March 2019 to ₹1,868 crore as on 31st March 2020, owing to increase in sugar stocks. Current ratio of the Company stood at 1.40 in FY2019-20 compared to 1.56 in FY2018-19.
- Inventories, including raw materials, work-in-progress and finished goods, among others, increased from ₹1,095 crore as on 31st March 2019 to ₹1,329 crore as on 31st March 2020, registering a rise of 21.38%.
- Cash and bank balances of the Company increased from ₹28.15 crore as on 31st March 2019 to ₹67.03 crore as on 31st March 2020.
- Loans and advances made by the Company decreased 99.41% from ₹128.34 crore as on 31st March 2019 to ₹0.76 crore as on 31st March 2020.

Margins

A strong cost control helped the Company in reporting better margins during the year under review. The EBITDA margin of the Company improved from 17% in FY2018-19 to 18% in FY2019-20 while net profit margin improved as well.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. The Company's customer-centricity has helped the Company retain more than 73 employees over a span of 25 years.

620

Employees in 1994

2,000+

Employees in 2019

Cautionary statement

This 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. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

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

NOTICE

Notice is hereby given that the Sixty Eighth Annual General Meeting of the members of the Company will be held through video conferencing/other audio video means ("VC/OAVM") on September 18, 2020 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the (a) audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, and the Reports of the Auditors and Directors thereon; and (b) audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors' thereon.

2. To appoint a Director in place of Shri Venkatesan Thyagarajan (DIN 00124050), who retires by rotation and being eligible offers himself for re-appointment.

3. To consider and if thought fit to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 or any amendment or modification thereto, M/s. NSBP & Co., Chartered Accountants (Firm Regn. No. 001075N), who have been appointed as the Statutory Auditors of the Company for a term of five years by the members at the Annual General Meeting held on August 31, 2017, be paid a remuneration of ₹17,20,000/- for the purposes of statutory audit for the financial year 2020-21 besides applicable taxes and reimbursement of travel and other out of pocket expenses to be incurred by them for the purposes of audit."

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of M/s R. J. Goel & Co., Cost Accountants (Firm Regn. No. 000026), appointed by the Board of Directors on the recommendation of the Audit Committee as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2021, amounting to ₹3,30,000/- plus applicable taxes and reimbursement of travel and other out of pocket expenses to be incurred by them for the purposes of cost audit be and is hereby ratified."

By Order of the Board of Directors

Aashima Khanna
Company Secretary
Membership No. ACS- 34517

Place: New Delhi
Dated: June 19, 2020

KEY INFORMATION

S. No.	PARTICULARS	DETAILS
1	Link for attending live webcast of the Annual General Meeting ("AGM") through Video Conferencing ("VC")	https://emeetings.kfintech.com
2	Link for e-voting [remote/at the AGM]	https://evoting.karvy.com
3	Link for Members to temporarily update e-mail address	https://karisma.kfintech.com/emailreg
4	Username and password for VC and e-voting	Please use the remote e-voting credentials.
5	Helpline number for VC and e-voting	KFin Technologies Private Limited - 1-800-3454-001 / evoting@kfintech.com
6	Registrar and Share Transfer Agent	KFin Technologies Private Limited Unit: Dalmia Bharat Sugar and Industries Limited Mr. M. S. Madhusudan E-mail: einward.ris@kfintech.com; evoting@kfintech.com Contact No.: 040 - 6716 2222
7	Cut-off date for e-voting	Friday, September 11, 2020

S. No.	PARTICULARS	DETAILS
8	Book closure dates	Saturday, September 12, 2020 to Friday, September 18, 2020 (both days inclusive)
9	Corporate/Institutional Members to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the authorised representative(s)	Khurana.harish@gmail.com and https://evoting.karvy.com on or before September 14, 2020
9	Period for submission of questions, if any, in advance and e-mail address	Commences at 9 AM IST on Monday, September 14, 2020 and ends at 5 PM IST on Wednesday, September 16, 2020 Post / send at https://emeetings.kfintech.com / Khanna.aashima@dalmiasugar.com
10	Remote e-voting period	Commences at 9 AM IST on Tuesday, September 15, 2020 and ends at 5 PM IST on Thursday, September 17, 2020
11	Last date for publishing results of the e-voting and results availability	Sunday, September 20, 2020 www.dalmiasugar.com https://evoting.karvy.com

NOTES:

1. In view of the prevailing locked down situation across the Country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 (collectively referred as "**MCA Circulars**"), has permitted companies to hold their Annual General Meetings ("**AGM**") through VC/OVAM for the calendar year 2020.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the AGM of the Company is being conducted through VC, herein after called as "**e-AGM**".
3. The Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents ("**RTA**"), to provide VC facility for the e-AGM and the attendant enablers for conducting the e-AGM.
4. Pursuant to the MCA Circulars:
    a. Members can attend the e-AGM through log in credentials provided to them to connect to VC. Physical attendance of the Members at the e-AGM is not required.
    b. Appointment of proxy(ies) to attend and cast vote on behalf of the Member(s) is not available.
    c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the e-AGM 30 minutes before the scheduled time of the commencement of the e-AGM by following the procedure mentioned in the Notice.
6. Up to 1000 Members will be able to join on a First In First Out ("**FIFO**") basis the e-AGM of the Company.
7. There is no restriction on account of FIFO entry into e-AGM for the large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors etc.
8. The attendance of the Members attending the e-AGM through log in will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("**SEBI Listing Regulations**") and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency namely "KFin Technologies Private Limited".
10. **Voting at the e-AGM:** Members who could not vote through remote e-voting may do the e-voting at the e-AGM.
11. In line with the MCA Circulars, the notice calling the AGM has been uploaded on the website of the Company at www.dalmiasugar.com. The Notice can also be accessed from the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of e-voting agency at https://evoting.karvy.com/
12. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.
13. The Register of Members of the Company shall remain closed from September 12, 2020 to September 18, 2020 (both days inclusive).
14. All documents referred to in the Notice and the Explanatory Statement and the Register of Directors and Key Managerial

Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 shall be available for inspection electronically during the e-AGM. Members seeking to inspect such documents can send an email to the Company Secretary.

15. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 11, 2020.

16. The Board of Directors has appointed Mr. Harish Khurana, Practicing Company Secretary, as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

17. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and send the same to the Chairman or a person authorized by him in writing who shall countersign the same.

18. The results shall be declared forthwith by the Chairman or a person authorized by the Board and the Resolutions will be deemed to be passed on the AGM date subject to the requisite number of votes in favour of the Resolution(s).

19. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website www.dalmiasugar.com and on the website of KFin Technologies Private Limited, www.kfintech.com within 48 hours from the declaration of results of voting and shall also be communicated to the Stock Exchanges where the Company's shares are listed as also displayed in the Notice Board at the Registered Office of the Company.

20. As per Regulation 40 of SEBI Listing Regulations, transfer of securities can be carried out only in dematerialized form with effect from April 01, 2019. Accordingly, any request for transfer of shares in physical form will not be accepted by the Company/RTA. This restriction will however not be applicable to the request received for transmission or transposition of physical shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact any of the nearest branches of RTA to guide you in the demat procedure. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.

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

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

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

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

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

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

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

4. Alternatively shareholders may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile

number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of e-AGM and the e-voting instructions.

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

1. Members are provided with a facility to attend the e-AGM through video conferencing platform provided by the RTA. Members may access the same at https://evoting.karvy.com/ under shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice
2. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience
3. Further, Members will be required to keep Camera on, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may log in to https://emeetings.kfintech.com and post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, a Member's questions will be answered only if he continues to hold the shares as of cut-off date.
6. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM.

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

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

The instructions for remote e-voting are as under:

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

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

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

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

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

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

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

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

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

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

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

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

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

xiii. In case a person becomes a member of the Company after the dispatch of e-AGM Notice but on or before the cut-off date, i.e., September 11, 2020, the Member may write to the RTA on the email Id madhusudhan.ms@kfintech.com or to Mr. Madhusudhan, Contact No. 040-671616222, at M/s KFin Technologies Private Limited (Unit: Dalmia Bharat Sugar and Industries Limited), Karvy Selenium Tower B, Plot No. 32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, requesting for the User ID and Password. After receipt of the same, please follow all the instructions from Sl. No. (i) to Sl. No. (xii) as mentioned in (A) above, to cast your vote.

xiv. The remote e-voting period commences on September 15, 2020 (9:30 am) and ends on September 17, 2020 (5:00 pm). During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date being September 11, 2020, may cast their vote electronically. The e-voting module shall be disabled by the RTA for voting thereafter. E-Voting will thereafter be opened during e-AGM. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically may participate in the e-AGM but shall not be allowed to vote again.

xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact the RTA at Tel. No. 18003454001 (toll free).

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

EXPLANATORY STATEMENT

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

Item No. 4:

In terms of Section 148 of the Companies Act, 2013, the Board of Directors of the Company has in its meeting held on June 19, 2020, on the recommendations of the Audit Committee, appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2020-21 to audit the cost records of the Company.

The Board has also approved and recommended a remuneration of ₹3,30,000/-, besides applicable taxes and reimbursement of traveling and other out of pocket expenses, payable to the Cost Auditors for conducting the Cost Audit subject to ratification by the members in terms of Section 148(3) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, in the Resolution set out at Item No. 4.

The Directors recommend the Resolution set out at Item No. 4 to be passed as an Ordinary Resolution.

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting their 68th report on the operations and business performance of your Company along with the audited Financial Statements for the financial year ("FY") 2019-20.

Financial Highlights

(₹ crore)

Particulars	FY (2019-20)	FY (2018-19)
Net Sales Turnover	2,034.67	2,018.51
EBIDTA	397.56	323.96
Less:- Interest & Financial Charges	88.38	68.61
PBDT	309.18	255.35
Less:- Depreciation	57.23	51.55
PBT	251.95	203.80
Less:- Tax		
Current Tax	47.83	43.63
Deferred Tax	6.11	(27.21)
PAT	198.01	187.38
Add:- Surplus brought forward	1,304.77	1,117.39
Balance available for appropriation	**1,502.78**	**1,304.77**
Appropriations		
Transferred to GR	-	-
Dividend	29.14	-
Dividend Distribution Tax	5.99	-
Balance carried Forward	**1,467.65**	**1,304.77**

Operations and Business Performance

In March 2020, the COVID-19 pandemic became a global crisis, forcing the Government of India to enforce a national lockdown.

The permission to continue the manufacture of sugar was implemented, being an essential commodity. Your Company continued the production across all its plants of Sugar, Power and Distillery products while ensuring the health and well-being of workers and employees by implementing social distancing, hygiene practices, deep cleansing and work-from-home in accordance with Government guidelines.

As a part of its social responsibility, the Company made a contribution of Rupee One crore to the PM-Cares Fund as a part of its endeavour to assist the Government's massive campaign against COVID-19. The Company supplied free sugar of ₹3.2 lakh to organisations feeding the needy.

Responding to the need for deep cleansing and hygiene, your Company started manufacturing hand sanitizers under the brand name "DALMIA SANJEEVANI" at its distilleries in Uttar Pradesh and Kolhapur while distributing these pro bono to Government hospitals and the police. The Company also packed hand sanitizers in 5, 10, 20-litre bottles for commercial organisations. The Company has already established market reputation for the product quality.

Your Company has completed twenty-five (25) years of sugar business and has achieved highest ever profit before tax and profit after tax during the Silver Jubilee year. It has completed sugar expansion to 6600 TCD and has commissioned Incineration boiler at its Jawaharpur Unit. Your Company has achieved highest ever distillery production during the year.

Your Company has recorded a net sales turnover of ₹2,034.67 crore during FY 2019-20 registering a growth of 0.79% as compared to the net sales turnover of ₹2018.51 crore during FY 2018-19. Your Company has earned profit before tax of ₹251.95 crore during FY 2019-20 registering a growth of 19.10% as compared to ₹203.80 crore profit before tax earned during FY 2018-19. Earnings before Interest, Depreciation and Taxes (EBIDTA) stood at ₹397.56 crore during FY 2019-20 as compared to ₹323.96 crore during FY 2018-19.

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

Management Discussion and Analysis Report

Management Discussion and Analysis of financial performance and results of operations of the Company for the year under review, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), giving detailed analysis of the overall industry structure, economic developments, performance and state of affairs of your Company's business and material developments during the financial year 2019-2020 is provided in a separate section and forms part of the Annual Report.

The Company continued to be engaged in the same business during the financial year 2019-2020. There were no material changes and commitments, except the impact of COVID-19 as given in Management Discussion and Analysis, affecting the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

Dividend

Your Directors, on February 13, 2020, declared an interim dividend of ₹2/- (100%) per equity share of face value of ₹2/- for the FY 2019-20 and same has been paid out on February 29, 2020 to members of the Company on the register of members as on February 26, 2020, being the record date fixed for the purpose. The interim dividend was declared based on the financial and non-financial factors prevailing during the FY under review.

Your Directors considered and decided that the interim dividend be the final dividend for FY 2019-20 and accordingly no further dividend has been recommended.

Transfer to General Reserves

Your Company has not transferred any amount to the General Reserve for the year under review.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Consolidated Financial Statements of the Company and its subsidiary for the FY 2019-20 have been prepared and form part of the Annual Report.

Subsidiaries, Associates and Joint Venture Companies

The Company has one wholly owned subsidiary as on March 31, 2020, i.e., Himshikhar Investment Limited and it is not a material unlisted subsidiary of the Company in terms of the Listing Regulations as amended from time to time and the Company's Policy for determining Material Subsidiary. The said Policy may be accessed at https://www.dalmiasugar.com/upload/policies/Policy-on-Material-Subsidiaries.pdf.

The Company has no Associates or Joint Ventures. A statement containing the salient features of the Financial Statements of the Company's subsidiary for the financial year ended on March 31, 2020 in Form AOC 1 is attached and marked as Annexure - 2 and forms part of this report.

The Financial Statements of the Company prepared on Standalone and Consolidated basis including all other documents required to be attached thereto and the Financial Statements of the subsidiary company are placed on the Company's website at www.dalmiasugar.com. Any member desirous of obtaining a copy of these documents may write to the Company Secretary in terms of Section 136 of the Companies Act, 2013.

Board meetings

During the year under review, the Board of Directors of the Company met five times, i.e., on May 20, 2019, July 29, 2019, October 24, 2019, January 30, 2020 and February 13, 2020. The Board meetings are conducted in due compliance with; and following the procedures prescribed in the Companies Act, 2013, Listing Regulations and applicable Secretarial Standards. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of the Annual Report.

Directors and Key Managerial Personnel

During the year under review, Shri P. Kannan and Smt. Amita Mishra, being Independent Directors, gave declarations that they met the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The term of five years of Shri. M. Raghupathy and Shri. J.S. Baijal, Independent Directors, was completed at the Annual General Meeting held on August 29, 2019.

Smt. Amita Mishra was appointed as a Non-Executive and Independent Director of the Company by members of the Company at the Annual General Meeting held on August 29, 2019. Smt. Amita Mishra holds a Post Graduate Degree in Economics from Rajasthan University. She joined the Indian Audit & Accounts Service in 1980 and held senior positions in the Government of India and United Nations (Vienna-based United Nations Industrial Development Organisation or UNIDO).

Smt. Himmi Gupta, a Non-Executive Director of the Company, resigned from the Directorship with effect from July 30, 2019.

Smt. Sneha Sharma resigned as the Company Secretary of the Company due to personal reasons with effect from October 31, 2019 and Ms. Aashima Khanna was appointed as Company Secretary of the Company with effect from January 30, 2020.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Shri T. Venkatesan, a Non-Executive Director (DIN: 00124050), is liable to retire by rotation and has offered himself for reappointment.

In terms of Section 203 of the Companies Act 2013, Shri J.H. Dalmia, Vice Chairman & Managing Director, Shri. Gautam Dalmia, Managing Director, Shri. Bharat Bhushan Mehta, Whole-Time Director and Shri Anil Kataria, Chief Financial Officer continue to hold their positions as Key Managerial Personnel of the Company.

Committees of the Board

The Board of Directors is supported by five Board level Committees viz, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Finance Committee.

The details with respect to the composition and number of meetings held during the FY 2019-20 and attendance of the members, terms of reference and other related matters of the Committees are given in detail in the Corporate Governance Report, which forms a part of the Annual Report.

Nomination and Remuneration Policy

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

(a) To ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations;

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

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

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

(e) To ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration policy of the Company can be accessed at the Company's website www.dalmiasugar.com.

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

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

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

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

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

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

Based on due deliberations the evaluation was carried out in terms of Nomination and Remuneration Policy.

Directors' Responsibility Statement

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

(a) In preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

(b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

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

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

(f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Particulars of remuneration of Directors, Key Managerial Personnel and Employees

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

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

The details of remuneration paid to the Directors including the Managing Director & Chief Executive Officer of the Company during FY 2019-20 are given in the Extract of Annual Return in Form MGT-9 which forms part of this report.

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

Corporate Governance Report

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

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

The Corporate Governance Report of the Company for the financial year 2019-20 as per the Listing Regulations is attached hereto and forms part of the Annual Report.

Business Responsibility Report

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

Share Capital

During the year under review, the Issued, Subscribed and Paid up equity share capital of the Company was ₹16.19 crore constituting of 8,09,39,303 equity shares of ₹2/- each. There was no change in the capital structure of the Company during the year under review.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9, as required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is attached and marked as Annexure - 4 and forms part of this report and is also available on the Company's website www.dalmiasugar.com.

Corporate Social Responsibility (CSR)

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

The Corporate Social Responsibility policy of the Company may be accessed at the Company's website www.dalmiasugar.com. Pursuant to the said policy, the Company has spent ₹3.90 crore towards corporate social responsibility activities during the FY 2019-20. The said amount spent was 2% of average net profits of the Company made during three immediately preceding financial years. The annual report on corporate social responsibility activities is attached and marked as Annexure – 5 and forms part of this report.

Related Party Transaction Policy and Transactions

All Related Party Transactions entered during the FY under review are on arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature and in the best interests of the Company.

There were no material contracts or arrangements or transactions entered into with the related parties during the year under review.

The Company has formulated a policy on materiality and on dealing with Related Party Transactions. The policy as approved by the Board may be viewed on the Company's website www.dalmiasugar.com.

Risk management

Your Company has adequate risk management processes and procedures, based on the business environment, operational controls and compliance procedures. The major risks are assessed through a systematic procedure of risk identification and classification. Risks are prioritized according to significance and likelihood. The purpose of risk management is not to eliminate risks but to proactively address them. The Audit Committee oversees the risk management plan and ensuring its effectiveness.

Adequacy of Internal Financial Controls

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

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

Whistle Blower Policy and Vigil Mechanism

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud, health, safety and environmental issues. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is made against any person for a genuinely raised concern. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website www.dalmiasugar.com.

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

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

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the FY 2019-20, no complaint was received by ICC.

Loans, Guarantees, Security and Investments

Your Company has given loans and guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such loans and guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at note no. 43.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

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

Cost Records and Auditor

Your Company maintains the cost records with respect to its sugar and power business in terms of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. R.J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct Cost Audit for the financial year ended March 31, 2019, and they had submitted the Cost Audit Report for the said year on July 29, 2019.

R. J. Goel & Co., Cost Accountants, New Delhi, was appointed as the Cost Auditors to conduct cost audit for the financial year ended March 31, 2020 and they will be submitting their report in due course of time.

Your Directors have re-appointed R.J. Goel & Co., Cost Accountants, New Delhi, as the Cost Auditors to conduct a cost audit for the financial year ended March 31, 2021 at remuneration to be ratified by the shareholders at the forthcoming Annual General Meeting.

Statutory Auditor and their report

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

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

Secretarial Auditor and their Report

The Board had, in its meeting held on May 20, 2019, appointed M/s Harish Khurana & Associates, Practicing Company Secretary, as the Secretarial Auditor of the Company for the FY ended March 31, 2020.

As required under the Section 204 of the Companies Act, 2013 and Listing Regulations, the Secretarial Audit Report in Form MR-3 of the Company for the FY 2019-20 is attached and marked as Annexure – 7 and forms part of this report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Compliance with Secretarial Standards

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

Deposits

During the financial year under review, the Company had not accepted any deposits as per Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Awards and Recognition

Your Company continued its quest for excellence in its chosen area of business to emerge as a true global brand. Several awards and rankings continue to endorse as a thought leader in the industry. The Awards / recognitions received during the FY 2019-20 include:

- The Whole Time Director of the Company, Mr. Bharat Bhushan Mehta, has received a Life Time Achievement Award by the Sugar Technologist's Association of India
- Nigohi Unit of the Company has received CII Sugartech Award 2019 and First Prize for Best Stall in Mithas Mela 2019
- Jawaharpur Unit of the Company has been awarded with the Best Overall Performance Sugar Mill Award

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant or material orders which were passed during the financial year 2019-20 by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

Acknowledgement & Appreciation

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

For and on behalf of the Board

Gautam Dalmia	**Bharat Bhushan Mehta**
Managing Director	**Whole Time Director**

Dated: June 19, 2020
Place: New Delhi

ANNEXURE 1

Working Results of key businesses for the Financial Year 2019-2020

Particulars	FY 19-20	FY 18-19
Sugar Division ('000 MT)		
Cane Crushed	4,798	5,029
Sugar Production	558	613
Sugar Sales	485	531
Co-Generation		
Installed Capacity (MW)	107	107
Production (Million Units)	549	602
Sales (Million Units)	334	384
Distillery		
Installed Capacity (KL/Day)*	240	240
Production ('000 KL)	68	45
Sales ('000 KL)	64	50
* Capacity was expanded from 140KLPD to 240KLPD during the FY 2018-19, Full benefits of the same have come in FY 2019-20		
Magnesite Division ('000 MT)		
Refractory Production	7	9
Refractory Sale & Self Consumption	4	6
Electronic Division (Nos)		
Chip Capacitor Production	20,737	27,692
Chip Capacitor Sales	10,400	600
Wind Farm		
Installed Capacity (MW)	16.53	16.53
Production (Million Units)	23.11	24.09
Plant Load Factor	16%	17%
Govan Travels		
Business Handled (₹ in crore)	23.93	24.88

* Includes Jawaharpur capacity which was expanded from 80 to 120 KL/day during the FY 18-19

ANNEXURE 2

Form AOC-I

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

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures for the Financial Year 2019-2020

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ crore)

SL. No.	Name of the subsidiary	HIMSHIKHAR INVESTMENT LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company (31 March of every year)
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
3	Share capital	0.45
4	Reserves & surplus	(85.77)
5	Total assets	66.59
6	Total Liabilities	151.91
7	Investments	66.40
8	Turnover	0.53
9	Profit before taxation	(4.47)
10	Provision for taxation	0.34
11	Profit after taxation	(4.81)
12	Proposed Dividend	Nil
13	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year: **NIL**

Part "B": Associates and Joint Ventures: Not Applicable

Place: New Delhi

Date: June 19,2020

ANNEXURE 3

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

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-2020 are as under:

Name of the Director, Chief Financial Officer and Company Secretary and Designation	Remuneration for the Financial Year 2019-2020 (in ₹ crore)	Ratio of remuneration to median remuneration* of employees	% increase in the remuneration during the Financial Year 2019-2020
Shri J. S. Baijal Chairman, Non- Executive Independent (Till 29/08/2019)	0.03	1.21	(0.88)
Shri Jai Hari Dalmia Vice Chairman and Managing Director	1.42	57.27	0
Shri Gautam Dalmia Managing Director and Chief Executive Officer	5.84	236.01	0
Shri M. Raghupathy Non-Executive Independent (Till 29/08/2019)	0.02	0.96	(0.92)
Shri P. Kannan Chairman, Non-Executive Independent (Chairman from 24/10/2019)	0.04	1.65	(0.77)
Smt. Amita Mishra Non-Executive Independent (From 29/08/2019)	0.03	1.33	-
Shri T. Venkatesan Non-Executive	0.03	1.09	50
Smt. Himmi Gupta Non-Executive (Till July 30, 2019)	0.01	0.40	(50)
Shri Bharat Bhushan Mehta Whole Time Director	2.78	112	9,166.67
Shri Anil Kataria Chief Financial Officer	1.06	43	15.22
Ms. Sneha Sharma Company Secretary (Till 31/10/2019)	0.03	1.47	50
Ms. Aashima Khanna Company Secretary (from 30.01.2020)	0.01	0.50	-

Note: The median remuneration of employees of the Company during the financial year 2019-2020 was ₹2, 47,632/-.

2. The percentage increase in the median remuneration of employees during the financial year 2019-20 was 20.79%.
3. The number of permanent employees on the rolls of the Company at the end of the financial year 2019-2020 was 2372.
4. The average percentage increase in the salaries of employees other than the managerial personnel was about 9.2% during the financial year 2019-2020. The percentage increase in the remuneration of Shri Bharat Bhushan Mehta, Whole Time Director, during the financial year 2019-2020 was about 9,166.67% due to change in his directorship from non-executive director to executive director.
5. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and Senior Management was paid as per the Nomination and Remuneration Policy of the Company.

ANNEXURE 3A

Statement of Particulars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2019-2020

S. No	Name	Age	Designation	Qualifications	Experience (in years)	Date of Commencement of Employment	Last Employment held	Remuneration received (in ₹ crore)
A.	Employed throughout the year							
1	Jai Hari Dalmia	75	Vice Chairman & Managing Director	B.E. (Elec.), M.S. in Electrical Engineering, USA	49	01-04-2007	Orissa Cement Limited	1.42
2	Gautam Dalmia	52	Managing Director	B.SC, M.S.in Electrical Engineering, Columbia University	27	16-01-2007	None	5.84
3	B. B. Mehta	66	Whole-time Director	B.Com (Hons.), A.C.A	43	01-04-2019	Dalmia Bharat Limited	2.78
4	Pankaj Rastogi	56	Chief Operating Officer	B.Tech, PGDM	33	01-01-2019	Dalmia Bharat Limited	1.35
5	Anil Kataria	60	Chief Financial Officer	B.Com, C.A	34	06-04-2009	Escorts Group	1.06
6	Naresh Paliwal	63	Deputy Executive Director	B.Com, C.A	33	24-06-2010	Outh Sugar Mills Limited	1.01
7	Naveen Kumar Gupta	51	Deputy Executive Director	BE (Civil)	29	01-12-2009	Feedback Ventures Pvt. Ltd.	1.00
8	Gopendra Singh	51	Assistant Executive Director	PGDM	27	11-09-2006	Veetee Fine Foods Ltd., Graintec India	0.69
9	Kuldeep Kumar	50	Deputy Executive Director	MBA-Operations	29	17-07-2015	Mawana Sugar Works	0.67
10	R H Dalmia	70	Advisor	B. Tech	46	01-05-2019	Dalmia Cement (Bharat) Limited	1.73

Notes:

1. Shri Jai Hari Dalmia is the father of Shri Gautam Dalmia and hence related to each other. Shri R. H. Dalmia is the brother of Shri J. H. Dalmia.
2. None of the above employees held 2% or above of the equity share capital of the Company as on March 31, 2020 either himself and /or along with his spouse and dependent childern.
3. Remuneration shown above, inter alia, includes value of perquistes, all other allowances and all retiral benefits (excluding gratuity.)
4. Shri Jai Hari Dalmia, Shri Gautam Dalmia and Shri Bharat Bhushan Mehta are employed as Managerial Personnel on fixed term basis.
5. Shri R. H. Dalmia has been appointed for a period of three years.

ANNEXURE 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

of the Financial Year ended on 31-3-2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L26942TN1951PLC000640
ii)	Registration Date	01-11-1951
iii)	Name of the Company	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED
iv)	Category/ Sub- Category of the Company	Public Limited Company
v)	Address of the Registered office and Contact Details	Dalmiapuram-621651, Distt. Tiruchirapalli, Tamil Nadu Phone No. – 04329-235132 Fax No.- 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District - Nanakramguda Hyderabad 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Sugar	1072	77
2	Power	3510	8
3	Ethanol	1101	15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Himshikhar Investment Limited	U67190TN1997PLC038989	Subsidiary	100	2 (87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2020				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1033785	0	1033785	1.28	792800	0	792800	0.98	-0.3
b) Central Govt./ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp	59513672	0	59513672	73.52	59513672	0	59513672	73.52	0
d). Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other									
Trusts	86665	0	86665	0.11	327650	0	327650	0.41	0.3
Sub-total (A) (1):-	60634122	0	60634122	74.91	60634122	0	60634122	74.91	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2020				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other…	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	60634122	0	60634122	74.91	60634122	0	60634122	74.91	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	2500	2500	0	0	2500	2500	0	0
b) Banks/FI	1508051	18035	1526086	1.89	1486908	18035	1504943	1.86	-0.03
c) Central Govt./ State Govt(s)	59200	68955	128155	0.16	59200	68955	128155	0.16	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Other (specify)									
Foreign Portfolio Investors	2097114	0	2097114	2.59	312109	0	312109	0.39	-2.2
Sub- total (B)(I):-	3664365	89490	3753855	4.64	1858217	89490	1947707	2.41	-2.23
2. Non Institutions									
a) Bodies Corp.	1571554	20305	1591859	1.97	1227832	13240	1241072	1.53	-0.44
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹2 lakh	8611441	1094334	9705775	11.99	9750090	1030369	10780459	13.32	1.33
ii. Individual Shareholders holding nominal share capital in excess of ₹2 lakh	3356543	0	3356543	4.15	4578875	0	4578875	5.66	1.51
c) Other (specify)									
Clearing Member	128271	0	128271	0.16	111381	0	111381	0.14	-0.02
Directors And Their Relatives	6260	0	6260	0.01	21260	0	21260	0.03	0.02
Foreign Nationals	625	0	625	0	625	0	625	0	0
Non Resident Indians	362189	13170	375359	0.46	233273	13170	246443	0.30	-0.16
Trusts	32150	20920	53070	0.07	36800	20920	57720	0.07	0
NBFC Registered with RBI	13915	0	13915	0.01	0	0	0	0	-0.01
d) IEPF									
Investor Education And Protection Fund Authority	1319649	0	1319649	1.63	1319639	0	1319639	1.63	0
Sub- total (B)(2):-	15402597	1148729	16551326	20.45	17279775	1077699	18357474	22.68	2.23
Total Public Shareholding(B)=(B)(1)+(B)(2)	19066962	1238219	20305181	25.00	19137992	1167189	20305181	25.09	0.01
C. Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	79701084	1238219	80939303	100.00	79772114	1167189	80939303	100	0.01

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia	240000	0.30	NIL	555175	0.69	NIL	0.39
2	Smt. Kavita Dalmia	5	0.00	NIL	5	0.00	NIL	0.00
3	Shri Gautam Dalmia	151990	0.19	NIL	151990	0.19	NIL	0.00
4	Smt. Anupama Dalmia	11250	0.01	NIL	11250	0.01	NIL	0.00
5	Ku. Vaidehi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0.00
6	Ku. Sukeshi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0.00
7	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0. 39	NIL	0	0.00	NIL	-0.39
8	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.30	NIL	10	0.00	NIL	-0.30
10	Shree Nirman Limited	5	0.00	NIL	5	0.00	NIL	0.00
12	Alirox Abrasives Limited	120360	0.15	NIL	120360	0.15	NIL	0.00
13	Dalmia Bharat Limited (formerly known as Odisha Cement Limited)	14829764	18.32	NIL	14829764	18.32	NIL	0.00
14	Himgiri Commercial Limited	5	0.00	NIL	5	0.00	NIL	0.00
15	Valley Agro Industries Limited	5	0.00	NIL	5	0.00	NIL	0.00
18	Keshav Power Limited	5	0.00	NIL	5	0.00	NIL	0.00
21	Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	86665	0.11	NIL	10	0.00	NIL	-0.11
22	Shri Brahma Creation Trust C/o Yadu Hari Dalmia	0	0	NIL	327640	0.40	NIL	0.40
23	Dalmia Refractories Limited	1000	0.00	NIL	1000	0.00	NIL	0.00
24	Vanika Commercial and Holdings Private Limited	8687305	10.73	NIL	8687305	10.73	NIL	0.00
25	Samagama Holdings and Commercial Private Limited	35875223	44.32	NIL	35875223	44.32	NIL	0.00
	Total	60634122	74.91	NIL	60634112	74.91	NIL	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

No Change

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Dalmia Bharat Limited	Opening Balance	1/04/2019	14829764	18.32	14829764	18.32
		Closing Balance	31/03/2020			14829764	18.32
2	Governor Of Punjab	Opening Balance	1/04/2019	1378849	1.70	1378849	1.70
		sale	24/01/2020	-10	0.00	1378839	1.70
		Closing Balance	31/03/2020			1378839	1.70
3	Life Insurance Corporation Limited	Opening Balance	1/04/2019	1217528	1.50	1217528	1.50
		Closing Balance	31/03/2020			1217528	1.50
4	Virender Jain	Opening Balance	1/04/2019	558850	0.69		

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
		Sale	05/07/2020	-558850	0.69	558850	0.69
		Closing Balance	31/03/2020			0	0
5	Anil Kumar Goel	Opening Balance	1/04/2019	522000	0.64	522000	0.64
		Purchase	26/04/2019	14022	0.66	536022	0.66
		Purchase	03/05/2019	5748	0.67	541770	0.67
		Purchase	10/05/2019	67168	0.75	608938	0.75
		Purchase	17/05/2019	55062	0.82	664000	0.82
		Purchase	24/05/2019	320	0.82	664320	0.82
		Purchase	21/06/2019	55680	0.89	720000	0.89
		Purchase	28/06/2019	10000	0.90	730000	0.90
		Purchase	12/07/2019	10000	0.91	740000	0.91
		Purchase	19/07/2019	30000	0.95	770000	0.95
		Purchase	26/07/2019	40000	1.00	810000	1.00
		Purchase	02/08/2019	50000	1.06	860000	1.06
		Purchase	09/08/2019	71143	1.15	931143	1.15
		Purchase	16/08/2019	48857	1.21	980000	1.21
		Purchase	30/08/2019	4000	1.22	984000	1.22
		Purchase	20/09/2019	1000	1.22	985000	1.22
		Purchase	27/09/2019	6000	1.22	991000	1.22
		Purchase	30/09/2019	8044	1.23	999044	1.23
		Purchase	04/10/2019	956	1.24	1000000	1.24
		Purchase	11/10/2019	387000	1.71	1387000	1.71
		Purchase	18/10/2019	93000	1.83	1480000	1.83
		Purchase	25/10/2019	47754	1.89	1527754	1.89
		Purchase	01/11/2019	46120	1.94	1573874	1.94
		Purchase	08/11/2019	1126	1.95	1575000	1.95
		Purchase	15/11/2019	28780	1.98	1603780	1.98
		Purchase	22/11/2019	48220	2.04	1652000	2.04
		sale	27/03/2020	-111948	2.26	1707593	2.11
		Closing Balance	31/03/2020			1830914	2.26
6	Harsh Jain	Opening Balance	1/04/2019	450000	0.56	450000	0.56
		Purchase	18/10/2019	450000	0.56	450000	0.56
		Sale	18/102019	-450000	0.56	-450000	0.56
		Closing Balance	31/03/2020			450000	0.56
7	Shyamsukha Builders Private Limited	Opening Balance	1/04/2019	409530	0.51		
		Closing Balance	31/03/2020			409530	0.51
8	Hemanth Dhandapani	Opening Balance	1/04/2019				
		Purchase	17/05/2019	9500	0.51	411949	0.51
		Purchase	24/05/2019	80620	0.61	492569	0.61
		Purchase	21/06/2019	9367	0.62	501936	0.62
		Closing Balance	31/03/2020			501936	0.62
9	Bns Asia Limited	Opening Balance	1/04/2018	365171	0.45	365171	0.45
		Sale	19/07/2019	-12400	0	352771	0.44
		Sale	09/08/2019	-7300	0	345471	0.43
		Sale	16/08/2019	-11900	0.04	333571	0.41
		Sale	13/09/2019	-300	0.07	333271	0.41
		Sale	25/10/2019	-900	0.08	332371	0.41
		Sale	01/11/2019	-900	0.10	331471	0.41

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
		Sale	22/11/2019	-5800	0.12	325671	0.40
		Sale	29/11/2019	-22500	0.15	303171	0.37
		Sale	06/12/2019	-13000	0.18	290171	0.36
		Sale	13/12/2019	-5900	0.19	284271	0.35
		Sale	20/12/2019	-4400	0.22	279871	0.35
		Sale	27/12/2019	-400	0.22	279471	0.35
		Sale	31/12/2019	-2300	0.24	277171	0.34
		Purchase	07/02/2020	8600	0.25	285771	0.35
		Sale	20/03/2020	-15400	0.27	270371	0.33
		Sale	27/03/2020	-39727	0.29	230644	0.28
		Closing Balance	31/03/2020			230644	230644
10	Shyamsukha Builders Private Limited	Opening Balance	1/04/2019	409530	0.51	409530	0.51
		Closing Balance	31/03/2020			409530	0.51
11	Gaurav Jain	Opening Balance	1/04/2019	278010	0.34	278010	0.34
		Purchase	14/02/2020	278010	0.69	556020	0.69
		Sale	14/02/2020	-278010	0.34	278010	0.34
		Closing Balance	31/03/2020			278010	0.34
12	Seema Goel	Opening Balance	30/03/2019	0	0	0	0
		Purchase	27/09/2019	11657	0.01	11657	0.01
		Purchase	30/09/2019	8343	0.02	20000	0.02
		Purchase	04/10/2019	122243	0.18	142243	0.18
		Purchase	11/10/2019	62757	0.25	205000	0.25
		Purchase	28/02/2020	15000	0.27	220000	0.27
		Purchase	06/03/2020	30941	0.31	250941	0.31
		Purchase	13/03/2020	14059	0.33	265000	0.33
		Purchase	20/03/2020	5000	0.33	270000	0.33
		Closing Balance	30/03/2019			270000	0.33
13	Tarun Sawhney	Opening Balance	1/04/2019	0	0	0	0
		Purchase	20/09/2019	56649	0.07	56649	0.07
		Purchase	04/10/2019	27000	0.10	83649	0.10
		Purchase	11/10/2019	52812	0.17	136461	0.17
		Purchase	15/11/2019	3105	0.17	139566	0.17
		Purchase	22/11/2019	867	0.17	140433	0.17
		Purchase	29/11/2019	39013	0.22	179446	0.22
		Purchase	06/12/2019	30000	0.26	209446	0.26
		Purchase	13/12/2019	14563	0.28	224009	0.28
		Closing Balance	31/03/2020			224009	0.28

iv) Shareholdings of Directors and Key Managerial Personnel:

Sl. no	Name of the Director / KMP	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Shri Jai Hari Dalmia	Opening Balance	01/04/2019	240000	0.30	240000	0.30
		Inter – se transfer	28/11/2019	315175	0.39	555175	0.69
		Closing Balance	31/03/2020	-	-	555175	0.69
2	Shri Gautam Dalmia	Opening Balance	01/04/2019	151990	0.19	151990	0.19
		Closing Balance	31/03/2020	-	-	151990	0.19
3	Shri P Kannan	Opening Balance	01/04/2019	2730	0	2730	0
		Closing Balance	31/03/2020	-	-	2730	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	5,39,32,12,525	3,28,30,01,000		8,67,62,13,525
ii. Interest due but not paid				-
iii. Interest accrued but not due	6,42,31,412			6,42,31,412
Total (i+ii+iii)	**5,45,74,43,937**	**3,28,30,01,000**	**-**	**8,74,04,44,937**
Change in Indebtedness during the Financial Year				
· Addition	2,32,28,00,000	7,68,08,30,392		10,00,36,30,392
· Reduction	2,50,78,29,117	3,28,30,01,000		5,79,08,30,117
Net Change	**(18,50,29,117)**	**4,39,78,29,392**	**-**	**4,21,28,00,275**
Indebtedness at the end of the Financial Year				
i. Principal amount	5,20,81,83,408	7,68,08,30,392		12,88,90,13,800
ii. Interest due but not paid				-
iii. Interest accrued but not due	6,58,62,042			6,58,62,042
Total (i+ii+iii)	**5,27,40,45,450**	**7,68,08,30,392**	**-**	**12,95,48,75,842**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

₹ crore

S. No	Particulars of Remuneration	Name of the MD / WTD / Manager			Total Amount
		Shri Jai H. Dalmia (Managing Director)	Shri Gautam Dalmia (Managing Director & CEO)	Shri B.B. Mehta (WTD)	
1.	Gross Salary				
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	1.21	5.10	2.47	8.78
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.06	0.13	0.17	0.36
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961				
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission	-	-		-
	- As % of profit	-	-		-
	- Others, specify	-	-		-
5.	Others,	-	-		-
	Total (A)	1.27	5.23	2.64	9.14
	Ceiling as per the Act		19.80 crore		

B. Remuneration to the Directors:

₹ crore

S. No	Particulars of Remuneration	Name of the Directors			*Smt. Amita Mishra (W.e.f August 29, 2019)	Total Amount
		Shri J.S. Baijal (Till August 29, 2019)	Shri M. Raghupathy (Till August 29, 2019)	Shri P. Kannan		
1.	Independent Directors	0.03	0.02	0.04	0.03	0.12
	• Fee for attending Board / Committee Meeting					
	• Commission	0.04	0.04	0.10	0.06	0.24
	• Others, please specify					
	Total (1)	0.07	0.06	0.14	0.09	0.36

₹ crore

S. No	Particulars of Remuneration	Name of the Directors		Total Amount
		Shri T. Venkatesan	Smt. Himmi Gupta	
2.	Other Non-Executive Directors			
	• Fee for attending Board / Committee Meeting	0.03	0.01	0.04
	• Commission	NIL	NIL	
	• Others, please specify			
	Total (2)	0.03	0.01	0.04
	Total (B)= (1+2)	0.16		
	Total Managerial Remuneration (A+B)	9.3		
	Overall Ceiling as per the Act	21.78 crore		

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD

₹ crore

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Sneha Sharma (Company Secretary)**	Anil Kataria (CFO)	Aashima Khanna (Company Secretary)**	
1.	Gross Salary				
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.04	0.84	0.01	0.89
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	-	0.15		0.15
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961				
2.	Stock Option	-		-	-
3.	Sweat Equity	-		-	-
4.	Commission	-		-	-
	- As % of profit				
	- Others, specify				
5.	Others, please specify	-		-	-
	Total	0.04	0.99	0.01	1.04

* Smt. Sneha Sharma, resigned from the post of Company Secretary on October 30, 2019.

**Ms. Aashima Khanna appointed as Company Secretary with effect from January 30, 2020.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
COMPANY					
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE 5

Annual Report on Corporate Social Responsibsility activities for the Financial Year 2019-2020

1. **A brief outline of the Company's Corporate Social Responsibility Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Corporate Social Responsibility Policy and projects or programs.**

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

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

CSR Focus Areas:

SOIL AND WATER CONSERVATION

Harvesting and conserving water for productive use.

LIVELIHOOD SKILL TRAINING

Transforming households, including unemployed youth added into skilled workforce for enhanced income.

ACCESS TO CLEAN ENERGY

Ensuring access to clean cooking and solar lighting

SOCIAL DEVELOPMENT

Addressing basic health, education and rural infrastructural needs of the communities

Our Corporate Social Responsibility Policy can be accessed on http://www.dalmiasugar.com/upload/policies/DBSIL-CSR%20POLICY.pdf

DBSIL through its CSR initiatives reached out to a total population of 3.29 lakh villagers spread across 203 villages in 4 districts around its operational areas in the state of Maharashtra and Uttar Pradesh.

Significant Achievements:

- DBSIL was awarded with commendation certificate by CII-ITC Sustainability Awards for the year 2019 for its remarkable work in the field of Corporate Social Responsibility.
- Bankers Institute of Rural Development, Lucknow, selected Ramgarh as one of the model location for showcasing CSR best practices to its stakeholders. During the year, four visits comprising of more than 80 representatives of banks, NGOs and other Govt. bodies visited Ramgarh to see various programs.

PROGRAMME HIGHLIGHTS - 2019-20

Key Interventions:

- Soil and Water Conservation

- Depleting water table is a massive problem being faced across the country. In our neighbouring communities, the water table is depleting, creating water scarcity and stress for agriculture and household use. We are thus working on a systematic, integrated and predictive approach for water management along with the community for water Pilot project in improved sugarcane cultivation is being implemented in the District of Sitapur in Uttar Pradesh in collaboration with NABARD. Project intends to disseminate the knowledge of best practises among sugarcane cultivators and set up demonstration plots for practical learning and replication among the farmers. To begin with, 100 farmers from 20 villages have been shortlisted to work with clear deliverables based on the principle of Sustainable Sugarcane Cultivation. NABARD contributed grant in aid of ₹22.00 lakh for the pilot project.
  - 25 village ponds have been desilted paving way for conservation of almost 5.53 lakh m3 of water, benefiting more than 2000 beneficiaries. Out of the ponds desilted, 2 are being used for pisciculture by 20 people. Overall, this has ensured additional earning of ₹3,000 per beneficiary.
  - We have been able to create 22.48 lakh m3 of water harvesting capacity cumulatively.
  - 35 acres of land was brought under drip irrigation, benefiting 175 villagers in Kolhapur District, saving 2.63 lakh m3 of water and an additional earning of ₹14,000/- per acre.
  - Avenue plantation has been taken-up by planting of 503 saplings around 25 ponds in the operational villages in the state of Uttar Pradesh.
  - 232 vermicomposting units, 389 units of farm yard manure and 250 sets of battery operated sprayers were promoted amongst 871 farmers.
  - In Salem, deepening of very large water pits were done which resulted into harvesting of water which is being supplied through pipelines to nearby 18 villages in Karuppur and Omalur villages in Omalur takuk, Tamil nadu.

- Access to Clean Energy

Energy is another major concern in rural India, with majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities is another focus area of Dalmia Bharat Sugar and Industries Limited. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting Liquefied Petroleum Gas connections, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

Our initiatives have ensured access to clean cooking and lighting solutions to 787 villagers in our area of operation i.e. in the state of Maharashtra and Uttar Pradesh. Overall, the project has reduced evasion of 736.2 tons of Co2.

- With the cumulative effort of our initiatives in this focus area, we were able to convert
  - » 4 villages to Clean Cooking Villages, where each household uses a cleaner cooking fuel. Till now, we have converted 20 villages to Clean Cooking villages.
  - » 3 villages to Clean Lighting Villages, where no household uses kerosene for lighting. Till now, we have converted 19 villages to Clean Lighting villages.
- 135 households around the operational areas adopted clean cooking solutions thereby reducing the indoor air pollution, evasion of 736 tons of Co2, financial savings of ₹7.29 lakh on their purchase of fuel wood and 7712 hours saved on wood collection time which now could be spent with their family members.
- Solar powered pumping solution installed in two locations in the state of Uttar Pradesh has benefitted around 250 villagers for irrigating their land as well to cultivate their uncultivable land. This initiative has aided in incremental increase in beneficiaries earning by ₹10,000 annually.

■ Livelihood Skill Training

Unemployment amongst the rural youth is significantly high and substantiate number of them are just employed seasonally. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in various areas. Our initiatives under skilling training has directly benefitted 3767 families, this has resulted in an average increase of ₹60,000 /- per beneficiary in a year

- **DISKHa** - Dalmia Institute of Knowledge and Skill Harnessing Centre (DIKSHa) established its second skilling centre in Shahjanpur after Sitapur in 2018-19. The centre will provide certified skill training to youth on Home Health Aide, Security Guard, Electrician Lab and Customer Relationship Management. Schneider has agreed to set up domestic electrician solutions lab in Shahjanpur with an investment of ₹10.00 lakh. The first batch of security guard, CRM and HHA was enrolled.
- In Sitapur, DIKSHa skilled 544 unemployed youth, 329 of them are gainfully employed at an average monthly salary of ₹8000 /-.
- **Self-help groups:** Strengthening our effort of building social capital, we worked with 2672 marginalised women who were organised in to 242 SHGs across the operational areas in the State of Maharashtra and Uttar Pradesh. Women's collectives have been able to save around ₹66.25 lakh as their corpus and are earning an additional income of ₹2,500/- per month through their income generation activities.
- **Moonj craft:** as a part of the on-going effort, our initiative of working with Moonj craft artisans continued with a special focus on building their capacity on product development, quality and marketing. 60 women are gainfully employed and continue to earn an average income of around ₹3,000 /- per month. In the year 2019-20, moonj craft artisans received an order value of ₹1.00 lakh.

■ Social Development

The stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life as well as development of these villages. The company is helping in building the basic infrastructure needs of the community like School Sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and company has pitched in by arranging General as well as Specialized Health Camps, providing medicines, Immunizations, Maternal and Child health Care.

- **Common Service Lab (CSL):** Partnership project taken-up with the support of HP India, reached out to 4654 villagers across two of its operational districts in Maharashtra and Uttar Pradesh, which includes school children, youth, women, farmers and senior citizens by educating them on digital literacy, relevant Government schemes, employment linked trainings for youth and on improved farming practices for the farmers.
- **Open Defecation Free Villages:** worked closely with the District Officials and Community in the State of Uttar Pradesh and facilitated construction of 1988 low cost toilets, benefitting around 9940 villagers across 67 villages, this effort has a potential to save around 2000 per family on their medical expenses annually. This effort has ensured 34 villages to be declared as ODF.
- **Happy School Project:** worked with 16 institutions including both the schools and anganwadis in improving their infrastructural facility.
- **Community RO Plant:** 3 community operated RO plant set up under build and transfer mode caters to the safe drinking water requirement of 25160 villagers in operational areas in the District of Kolhapur & Sangli of Maharashtra.
- **Preventive Health Care Camp:** 8 preventive health care camps were organised reaching out to a population of 6455 villagers in U.P. and Maharashtra.
- **Veterinary camps:** 24 camps were organised in partnership with the Government line department reaching out to around 1960 livestock population and treating for foot and mouth diseases, artificial insemination and other basic ailments in Uttar Pradesh.
- **Government Health Care Scheme:** facilitated 922 villagers to be enrolled in the health care schemes of the State Government for cashless treatment.

- **Observing National and International Days:** 10 regular awareness programmes were organised on educating the community days of social importance. More than 10000 people participated in these social events in both the states.
- Livestock breed improvement:

    a. For improving the quality and productivity of the livestock, BAIF, continued its to engage with the villagers in the operational project villages in the District of Sitapur and Shahjanpur of Uttar Pradesh. Some of the project achievements are mentioned below:

    b. 747 calves were born and another 1029 cows and buffaloes are pregnant,

    c. 2880 cows and buffaloes were artificially inseminated,

    d. 1872 farmers participated in awareness meetings,

    e. 24 infertility camps were organized and 780 animals got treated.

    f. 2 exclusive trainings were conducted on AIT

    g. 3 guided exposure visits were organised.

    h. Improved fodder support was extended to 308 families.

    i. 132 EPD (early pregnancy detection) kits were also provided to the farmers during the year.

- **Project Seekho Sikhao:**

    The Seekho Sikhao Academic and Volunteer Programs are part of the Seekho Sikhao Project initiated in collaboration with QUBE-ED and IEC in 19 villages in Sitapur district. The programs are focused on students of Grades 1 to 5. The program incorporates a unique capability based learning approach designed to support learning in rural Government Schools. This aspect of the program endeavours to empower school teachers by strengthening their capabilities and using peer-level learning to develop competencies in students by redefining classroom transactions

    The project is being implemented in 19 Govt. primary schools of Ramgarh, district Sitapur, Uttar Pradesh and is touching 2106 students. Following are some of the major activities which were done under the project:

- **Block level orientation:** Meetings with the Block Education Officer (BEO) and support functionaries to share the QLI approach and secure the education department's support and cooperation in the implementation of the learning approach in 19 schools of two clusters of Sandana and Mahasui.
- **Head Teacher orientation,** the monthly teacher collective process was initiated in the two clusters. Total 7 collective meetings were conducted in 2019-20 session.
- **Training of Volunteers and Event Execution:** Total 76 volunteers were trained in order to enable them to facilitate Seekho Sikhao events in schools. The events are following.

    a. **Pitaara Picture Ka, a movie based program** with focus on values like friendship, respect, empathy, self-worth, honesty etc. Students watched movies and participated in pre and post activities designed to bring out the cognitive, affective and social aspects related to the carefully selected movies.

    b. **Masti Ki Prayogshala** offered students hands on approach to build curiosity and questioning skills through experiments. It encourages students to think about how things around them work and sows the seed for curiosity, critical thinking and problem solving.

    c. **Khel Khel Mein, sport based program** designed to develop team spirit, collaboration, sportsmanship and exposure to health and fitness regime. Students were allotted houses to build a sense of camaraderie and ownership. Parent and teacher races were added for greater involvement

    d. **Hum Sab Kalakaar, an art and craft based program** to help students bring out their creativity and visual spatial skills. Children used simple materials like crayons and poster colours. Paper cutting and folding was also an integral part of the module.

- **Community Ownership –** Efforts were made to strengthen the School Management Committees in all 19 schools. Reaching out to important members of community for support and awareness of Seekho Sikhao programs. One on one meeting with Pradhans. Soliciting logistical support for events in schools. Calling parents and important community members as guests during school events. Inviting community members and parents for participation in events and motivating their students when they do the same. Shikshan Gram Sabha (SGS) in November, SGS meetings were organized in 16 primary government schools of Mahasui and Sandna Clusters.
- **COVID -19 Pandemic Response:**

    Dalmia Bharat Sugar Industries Limited, pledged and contributed ₹1 crore in PM – Cares Fund to fight and defeat COVID-19.

2. The Composition of the Corporate Social Responsibility Committee

Composition of the Corporate Social Responsibility Committee of Dalmia Bharat Sugar and Industries Limited is:

1. Shri J.S. Baijal, Chairman, Independent Director (till August 29, 2019)
2. Ms. Amita Mishra, Chairman, Independent Director (with effect from August 29, 2019)
3. Shri Bharat Bhushan Mehta, Member, Executive Director
4. Shri Gautam Dalmia, Member, Executive Director

3. Average net profit of the company for last three financial years – ₹195 crore

4. Prescribed Corporate Social Responsibility Expenditure (two per cent of the amount as in item 3 above) – ₹3.90 Cr.

5. Details of Corporate Social Responsibility spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹3.90 Cr.

   (b) Amount unspent, if any: NA

   (c) Manner in which the amount spent during the financial year is detailed in the annexure attached hereto and forming part of this report.

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

   Not Applicable

7. A responsibility statement of the Corporate Social Responsibility Committee that the implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with Corporate Social Responsibility objectives and Policy of the company.

   The implementation and monitoring of Dalmia Bharat Sugar and Industries Limited Corporate Social Responsibility programmes is in compliance with the Corporate Social Responsibility objectives and Policy of the Company.

Gautam Dalmia
Managing Director
CIN 00009758

Amita Mishra
Chairperson, CSR Committee
CIN 07942122

Date: June 19, 2020
Place: New Delhi

₹ crore

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Village Ponds, Drip Irrigation)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur, Salem, Tamilnadu	3.90	0.97	0.97	Amount spent: Direct ₹1.60 crore and through implementing agency "Dalmia Bharat Foundation" ₹2.30 crore
2	Access to Clean Energy (LPG Connections, Fuel efficient Cookstoves, Solar products)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur		0.01	0.01	
3	Education and Livelihood (Education in schools, Stithcing and Tailoring, Moonj Craft training, etc.)	**Schedule VII / item No II** Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur		0.96	0.96	
4	Women Empowerment (SHG formation and Training)	**Schedule VII / item No III** promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
5	Health and Sanitation (Health Camps, Low Cost Toilets, Awareness Programs on health issues, school toilet units)	**Schedule VII / item No I** Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur and Sangli		0.77	0.77	
6	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	**Schedule VII / item No X** Rural development projects	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur and Sangli				
7	Contribution made to 'PM CARES Fund	**Schedule VII / item No VIII** Contribution to the Prime Minister's National Relief Fund			1.00	1.00	
	Programe Execution Cost				0.19	0.19	
	Total			3.90	3.90	3.90	

ANNEXURE 6

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO AND EARNINGS FOR THE FINANCIAL YEAR 2019-2020

(A) Conservation of Energy:

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

a) Utilization of steam in Kolhapur incineration boiler is changed to get optimum use of input fuel and power generation.

b) Replacement of HPMV & FTL Lights with LED in Jawaharpur Unit.

c) Replacement of Hydraulic Motor with ACVFD in Jawaharpur Unit.

d) Replacement of LT motor with HT Motor in Jawaharpur Unit.

e) Replacement of low efficiency pumps with higher efficiency pumps with VFD in Ramgarh Unit

f) Energy saving in Ramgarh Unit with modified bagasse loading system.

g) Replacement of DOL starters with VFD's in Ramgarh Unit.

h) New distillation plant with integrated evaporation system along with waste heat type incineration cogeneration plant is installed at Nigohi Unit.

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

j) More Falling Film Evaporators are resulting in reduction of steam consumption % cane.

k) Continuous Vacuum Pans are resulting in reduced steam consumption in Pan boiling.

l) Output of distillery is enhanced with process modification to increase capacity utilization resulting into energy conservation.

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

The Company is primarily using the renewable source of energy only. Also the Company has implemented solar based water pumping system in farms.

III. The capital investment on energy conservation equipment-

Company has invested around ₹2 crore during the F.Y. 2019-20 to conserve the energy.

(B) Technology Absorption :

I. The efforts made towards technology absorption-

a. Installation of modern technology mill in Jawaharpur and Ramgarh Unit to reduce moisture in bagasse to enhance boiler efficiency.

b. Use of air-cooled condensers in place of water cooled condensers.

c. State of art latest technologies for treatment of effluents with continuous digestor (anaerobic) along with aerobic system for recycling of process condensate.

d. Installation of state of art incineration technology for the treatment of liquid effluent of distillery at Jawaharpur.

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

f. Centrifugal type solid and liquid separation through Decanters are used for filtration of spent wash to improve efficiency of incineration boiler.

g. Distributed control system (DCS): State of art Operations of Cane Milling, Pan boiling, Co-Gen, Decanters, etc. are automated and controlled.

h. Drip irrigation schemes have further expanded in other areas to conserve water and increase productivity of cane per hectare.

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

The Company as a result of the efforts made has achieved better quality of sugarcane which will result into increased yield and recovery % cane.

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

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

No technology has been imported for the last three years.

IV. Expenditure incurred on Research and Development

The Company has incurred an expenditure of ₹3.78 crore on cane development and ₹0.02 crore on research & development.

(C) Foreign Exchange Earnings And Outgo

i. Foreign Exchange earned in terms of actual inflows during the year

₹123.27 crore

ii. Foreign Exchange outgo during the year in terms of actual outflows

₹0.86 crore

ANNEXURE 7

SECRETARIAL AUDIT REPORT

(For the Financial Year ended March 31, 2020)

Form No. MR -3

Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

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

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

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:
    - Electricity Act, 2003
    - Food Safety and Standards Act, 2006
    - Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011
    - Essential Commodities Act, 1955
    - Industries (Development and Regulation) Act, 1951
    - Molasses Control Order, 1961
    - Sugar Cess Act, 1982 and Sugar Cess Rules, 1982
    - Employees State Insurance Act, 1948 and Employees State Insurance (General) Regulations, 1950
    - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
    - Employee Provident Fund and Miscellaneous Provisions Act, 1952
    - Contract Labour (Regulation and Abolition) Act, 1970
    - Employees Compensation Act, 1923
    - U. P. Industrial Disputes Act, 1947

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

Compliances in respect of other laws, as stated above was generally made during the financial year 2019-20.

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

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

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

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

We further report that:

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

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 for all the meetings of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

SD/-
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: 19.06.2020
UDIN: F004835B000347474

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

ANNEXURE A

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

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

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

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

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

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

(6) Due to COVID19 country wide lockdown, we could not visit any of the office, factory or work place of the Company and necessary documents and records were shared through e-mail and we relied upon it.

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

SD/-
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: 19.06.2020
UDIN: F004835B000347474

CORPORATE GOVERNANCE REPORT

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"DHARMO RAKSHAATI RAKSHITAHA".

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

Ch VIII Shloka 15 Manu Smruthi

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

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

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

We have blended growth and efficiency with governance and ethics. Our Board of Directors formulates strategies and policies having focus on optimising value for the stakeholders like consumers, shareholders and the society at large.

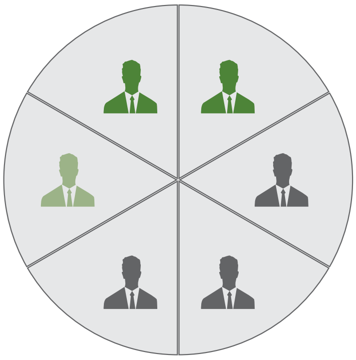
We represent modern India, which has a blend of traditional Indian values such as Integrity, Trust, Respect, Humility and Commitment and an aggressive performance-driven culture. We inculcate an operational work behaviour of Speed, Learning, Teamwork & Excellence to complement the performance culture.

(II) BOARD OF DIRECTORS

(a) Size and Composition of the Board

Our Board has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its Independence. Our Board comprises six Directors out of which 50% are Non-Executive Directors and 50% are the Executive Directors.

The 33.33% of total strength of the Board comprises Independent Directors including one Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director and is not related to the Managing Director or Chief Executive Officer.



Non-Executive and Independent Directors	33.33%
Non-Executive and Non Independent Directors	16.67%
Executive Directors	50%
Total Board Size and Composition	**100%**

All the Independent Directors have given declaration(s) that they meet the criteria of independence as prescribed in Listing Regulations and the Companies Act, 2013. Based on the said declaration(s), the Board of Directors is of the opinion that the Independent Directors fulfil the conditions specified in Listing Regulations and the Companies Act, 2013 and are independent of the management. During the financial year under review, the term of five years of Shri M. Raghupathy and Shri J.S. Baijal as the Independent Directors of the Company got completed at the Annual General Meeting held on August 29, 2019.

Smt. Amita Mishra was appointed as a Non-Executive and Independent Director of the Company by the members of the Company at the Annual General Meeting held on August 29, 2019.

Smt. Himmi Gupta, a Non-Executive Director of the Company, resigned from the Directorship with effect from July 30, 2019.

The Composition of the Board and other directorships of Directors of the Company held as on March 31, 2020 are provided in below Table 1.

Table 1: The Composition of the Board and other directorships held as on March 31, 2020

Name of Director	Category of directorship in other Listed Companies	Name of the Listed Companies	No. of outside directorship(s) in Public Limited Companies (1)	No. of outside Committee position(s) held (2)	
				Membership	Chairpersonship
Non-Executive and Independent Director					
Shri P. Kannan (Chairman)	-	-	-	-	-
Smt. Amita Mishra		Welspun Corp Limited	1	0	0
Non-Executive and Non Independent Director					
Shri T. Venkatesan		Srikalahasthi Pipes Limited	1	1	1
Executive Director					
Shri. Gautam Dalmia (Managing Director)		Dalmia Bharat Limited	4	4	0
		Indian Energy Exchange Limited			
Shri Jai Hari Dalmia (Vice Chairman and Managing Director)		Dalmia Bharat Limited	4	0	0
		Alirox Abrasives Limited			
Shri. Bharat Bhushan Mehta (Whole Time Director)	-	-	9	0	0

- Non-Executive and Independent Directors, - Non-Executive and Non Independent Directors, - Executive Directors

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

None of the other Directors is related to any other Director on the Board.

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

(b) Board meetings

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

During the financial year 2019-20, the Board of Directors had met five times, i.e., on May 20, 2019, July 29, 2019, October 24, 2019, January 30, 2020 and February 13, 2020.

As per the Companies Act, 2013, the required quorum for every meeting of the Board of Directors is one third of its total strength or two Directors, whichever is higher, including at least one Independent Director. The requisite quorum was present during all the Board meetings held during the financial year 2019-2020.

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

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

Name of the Director	Annual General Meeting	Number of Board Meetings held and attended					Held during tenure	Attended	% of attendance	Number of shares held in the Company
		1	2	3	4	5				
**Shri. M. Raghupathy	👤	👤	👤	--	--	--	2	2	100	-
Shri. Jai Hari Dalmia	X	👤	👤	👤	👤	X	5	4	80	555175
**Shri. J.S. Baijal	X	👤	👤	--	--	--	2	2	100	-
Shri. Gautam Dalmia	X	👤	👤	👤	👤	👤	5	5	100	151990
Shri. Bharat Bhushan Mehta	X	👤	👤	👤	👤	X	5	4	80	-
Shri T. Venkatesan	👤	👤	👤	X	👤	👤	5	4	80	-
Shri P. Kannan	X	👤	X	👤	👤	👤	5	4	80	2730
**Smt. Himmi Gupta	X	👤	👤	--	--	--	2	2	100	-
*Smt Amita Mishra	X	--	--	👤	👤	👤	3	3	100	-

👤 -Attended in person, **X**- Leave of Absence

* Smt. Amita Mishra was appointed as Non-Executive Independent Director of the Company with effect from August 29, 2019.

** The term of 5 years of Shri. J.S. Baijal and Shri. M. Raghupathy as Independent Directors of the Company got completed at the Annual General Meeting held on August 29, 2019. Smt. Himmi Gupta resigned with effect from July 30, 2019.

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

(c) Meeting of Independent Directors and familiarization programmes

The Independent Directors of the Company met once during the financial year on January 30, 2020 without the presence of Non-Independent Director(s) and members of the management.

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

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

The Directors are also regularly familiarized by way of periodic presentations at the Board and Committee meetings inter-alia with respect to updates on approved projects, business opportunities and proposed projects, updates on Enterprise Risk Management, demand supply scenario, benchmarking and statutory and regulatory changes. The details of such familiarisation programme for the financial year 2019-20 are disclosed at https://www.dalmiasugar.com/upload/pdf/Familiarization-Programmes-2019-20.pdf in terms of the Listing Regulations.

(d) Remuneration paid to Directors

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

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

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

The commission is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 i.e., not exceeding 1% of the net profits of the Company. The commission to the Non-Executive Directors varies in view inter-alia of the responsibility held as a Chairman / member of various Board Committees of the Company, overall participation and contribution in the decision making process of the Company, objectivity and constructive exercise of duties and devotion of time and attention. The commission payable is decided by the Board of Directors of the Company.

The details of sitting fees and commission paid to the Non-Executive Directors and remuneration paid to Executive Directors during the financial year 2019-20 are provided in below Table 3.

Table 3: Remuneration details

(₹ in Cr)

S. No	Name of Director	Sitting fees	Commission	Salary and perquisites	Retirement benefits	Total
1	*Shri J.S. Baijal	0.03	0.04	-	-	0.07
2	*Shri M. Raghupathy	0.02	0.04	-	-	0.06
3	Shri. Jai Hari Dalmia		-	1.26	0.16	
4	Shri. Gautam Dalmia		-	5.23	0.61	
5	Shri B.B. Mehta		-	2.65	0.13	
6	Shri T.Venkatesan	0.03	-	-	-	0.03
7	Shri P. Kannan	0.04	0.10	-	-	0.14
8	**Smt Himmi Gupta	0.01	-	-	-	0.01
9	***Smt Amita Mishra	0.03	0.06	-	-	0.09

*Till August 29, 2019;

**Till July 30, 2019;

***With effect from August 29, 2019

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

There is no other pecuniary relationship/transaction of the Non- Executive Directors.

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

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

The Company's Board has laid down a code of conduct for all the Board members and designated senior management of the Company. The Code of Conduct includes the Code of Conduct for Independent Directors and provides in detail the guidelines of professional conduct, role and functions and duties of Independent Directors. The Code of Conduct is available on the website of the Company www.dalmiasugar.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this report.

(f) CEO/ CFO certification

The CEO and CFO certification of the Financial Statements for the financial year 2019-20 is enclosed at the end of this report.

(g) Board Skill Matrix

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

S. No.	Director(s)	Skill / Expertise / competence
1	Jai Hari Dalmia, Gautam Dalmia, Bharat Bhushan Mehta	**Leadership** - Visionary with strategic goal - Identify road maps, approach, processes, key deliverables - Mentor the team to channelize energy/efforts in appropriate direction - A thought leader and a role model in good governance and ethical conduct of business - Hands on experience of leading the Company at the highest level
2	Gautam Dalmia, Bharat Bhushan Mehta, Thyagrajan Venkatesan	**Industry knowledge and experience** - Domain knowledge of businesses viz. Sugar, Power and Distillery - Vast experience of industry
3	Thyagrajan Venkatesan, Amita Mishra	**Policy shaping and industry advocacy** - Professional relationship with the policy makers and regulators - Contribution in shaping of Government policies in the areas of Company's business
4	Amita Mishra, P. Kannan, Thyagrajan Venkatesan	**Governance including legal compliance** - Commitment, belief and experience in setting corporate governance practices - Support the Company's legal compliance systems and governance policies/practices.
5	P. Kannan, Amita Mishra, Thyagrajan Venkatesan	**Finance & Accounts / Audit / Risk Management areas** - Expertise in financial matters and policies, accounting statements and disclosure practices - Contribute to the financial/risk management policies/practices

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

(a) Composition of Committees, their meetings and attendance

The Board of Directors of the Company has seven (5) Board level Committees as on March 31, 2020, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, and Finance Committee. All these Committees have been reconstituted by the Board of Directors during the financial year 2019-20. The composition, constitution, terms of reference and functioning of these Committees meets the requirements of the Companies Act, 2013 and the Listing Regulations. The Chairman and members of these Committees are selected by the Board based on the category of Director(s) and their expertise, knowledge and experience. The role and terms of reference of these Committees is approved by the Board of Directors of the Company. The Company Secretary acts as Secretary to these Committees. The composition of the Board and Committees is provided in below Table 4:

Table 4: Composition of the Board and Committees

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee	Finance Committee
*Shri J.S. Baijal	--	--	--	--	--	--
**Shri M. Raghupathy	--	--	--	--	--	--
Shri. Jai Hari Dalmia	Member	--	--	--	--	--
Shri. Gautam Dalmia	Member	--	--	Member	Member	Member
Shri Bharat Bhushan Mehta	Member	Member	--	Member	Member	Member
Shri T.Venkatesan	Member	--	Member	--	--	--
Shri P. Kannan	Chairperson	Member	Member	--	Chairperson	--
***Smt Himmi Gupta	--	--	--	--	--	--
****Smt Amita Mishra	Member	Chairperson	Chairperson	Chairperson	--	Chairperson
Total Number of Members	6	3	3	3	3	3

- Chairperson - Member

*The term of five years of Shri J.S. Baijal and Shri M. Raghupathy as Independent Directors got completed at the Annual General Meeting held on August 29, 2019. Before completion of term, Shri J.S. Baijal acted as Chairperson of Corporate Social Responsibility Committee of the Company and acted as a member of Audit Committee, Finance Committee and Stakeholders Relationship Committee.

** Before completion of term, Shri M. Raghupathy acted as Chairperson of Nomination & Remuneration Committee and acted as a member of Audit Committee of the Company.

***Smt Himmi Gupta resigned from the Board with effect from July 30, 2019.

****Smt Amita Mishra was appointed with effect from August 29, 2019.

Audit Committee

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

The Committee met four times during the financial year 2019-20 and the gap between two committee meetings did not exceed 120 days. The dates on which the Committee meetings held were: May 20, 2019, July 29, 2019, October 24, 2019 and January 30, 2020. The attendance details of the Committee meetings are given in below Table 5:

Table 5: Attendance details – Audit Committee meetings

Name of the member	Number of Audit Committee Meetings				Held during tenure	Attended	% of attendance
	1	2	3	4			
Shri M. Raghupathy	Attended in person	Attended in person	-	-	2	2	100%
Shri J.S. Baijal	Attended in person	Attended in person	-	-	2	2	100%
Shri P. Kannan	Attended in person	X	Attended in person	Attended in person	4	3	75%
Shri Bharat Bhushan Mehta	-	-	Attended in person	Attended in person	2	2	100%
Smt Amita Mishra	-	-	Attended in person	Attended in person	2	2	100%

- Attended in person X – Leave of absence

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

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company and payment for any other services rendered by them, review and monitor their independence and performance, and effectiveness of audit process.
- Oversight of the Company's financial reporting process, reviewing the quarterly financial statements and the annual financial statements and auditor's report thereon before submission to the Board for approval and to ensure that the financial statements are correct, sufficient and credible.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Review of the quarterly and half yearly financial results with the management and the statutory auditors.
- Scrutiny of inter-corporate loans and investments.
- Reviewing performance of statutory and internal auditors, adequacy of the internal control systems, risk management systems and internal audit function.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary.
- Review the functioning of the Whistle Blower mechanism.
- Approval of appointment of Chief Financial officer.

The Statutory Auditors, Internal Auditors, Chief Operating Officer and Chief Financial Officer usually attend the committee meetings. The Cost Auditors attend the Audit Committee meeting in which the Cost Audit Report is discussed and annexures thereto are approved. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the recommendations of the Audit Committee during the financial year 2019-20 were accepted by the Board of Directors.

The member of the Audit Committee, i.e., Shri. M Raghupathy was present at the Annual General Meeting of the Company held on August 29, 2019.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee met three times during the financial year 2019-20 on May 20, 2019, July 29, 2019 and January 30, 2020. The attendance details of the Committee meetings are given in below Table 6:

Table 6: Attendance details – Nomination and Remuneration Committee meetings

Name of the member	Number of Nomination and Remuneration Committee Meeting			Held during tenure	Attended	% of attendance
	1	2	3			
Shri M. Raghupathy			-	2	2	100%
Shri J.S. Baijal			-	2	2	100%
Shri P. Kannan		X		3	2	66.6%
Shri T. Venkatesan	-	-		1	1	100%
Smt Amita Mishra	-	-		1	1	100%

- Attended in person   X – Leave of absence

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

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

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. All the recommendations of the Committee during the financial year 2019-20 were accepted by the Board of Directors.

The member of the Nomination and Remuneration Committee, i.e., Shri M. Raghupathy, was present at the Annual General Meeting of the Company held on August 29, 2019.

Performance evaluation criteria

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

During the financial year 2019-20, the performance evaluation of the Board and Committees of the Board was carried out by the Board. Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met four times during the financial year 2019-2020 on May 20, 2019, July 29, 2019, October 24, 2019 and January 30, 2020. The attendance details of the Committee meeting are given in below Table 7:

Table 7: Attendance details – Stakeholders' Relationship Committee meetings

Name of the member	Number of Stakeholders' Relationship Committee Meeting				Held during tenure	Attended	% of attendance
	1	2	3	4			
Shri J.S. Baijal			-	-	2	2	100%
Shri Gautam Dalmia					4	4	100%
Shri P. Kannan		X			4	3	75%
Shri Bharat Bhushan Mehta					4	4	100%

 - Attended in person X – Leave of absence

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

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

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

Shareholders complaints:

During the financial year 2019-20, the Company had received 144 complaints from the shareholders. Details of shareholders' complaints are given below in Table 8:

Table 8: Shareholders complaints

Nature of Complaint	Pending as on April 01, 2019	Received during the year	Resolved satisfactorily during the year	Pending as on March 31 2020
Non-receipt of Annual Report	0	9	9	0
Non-receipt of Dividend Warrants	0	89	89	0
Non-receipt of securities after transfer / transmission / duplicate / demat / name correction / split etc.	0	42	42	0
Complaints received from:				
- Securities and Exchange Board of India	1	4	5	0
- Stock Exchanges	0	0	0	0
- Registrar of Companies/ Department of Company Affairs	0	0	0	0
Others	0	0	0	0
Total	**1**	**144**	**145**	**0**

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met four times during the financial year 2019-20 on May 20, 2019, July 29, 2019, October 24, 2019 and January 30, 2020. The attendance details of the Committee meetings are given in below Table 9:

Table 9: Attendance details – Corporate Social Responsibility Committee meetings

Name of the member	Number of Corporate Social Responsibility Committee Meeting				Held during tenure	Attended	% of attendance
	1	2	3	4			
Shri J.S. Baijal			-	-	2	2	100%
Shri Gautam Dalmia					4	4	100%
Smt. Amita Mishra		X			2	2	75%
Shri Bharat Bhushan Mehta					4	4	100%

- Attended in person X – Leave of absence

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at https://www.dalmiasugar.com/upload/policies/Corporate-Social-Responsibility-Policy.pdf.

The Annual Report on CSR activities for the financial year 2019-20 forms part of the Director's Report.

Finance Committee

The Finance Committee met once during the financial year 2019-20 on August 20, 2019. The attendance details of the Committee meetings are given in below Table 10:

Table 10: Attendance details – Finance Committee meetings

Name of the member	Number of finance committee meetings during the year	Held during tenure	Attended	% of attendance
	1			
Shri Gautam Dalmia		1	1	100%
Shri J.S Baijal		1	1	100%
Shri B.B. Mehta	X	1	0	0

- Attended in person X – Leave of absence

The role of Finance Committee broadly includes the following:

1. Carry out such activities as delegated by the Board of Directors from time to time including inter-corporate loans and investments within the delegated authority;
2. Valuation of undertakings or assets of the company, wherever it is necessary;
3. Monitoring the end use of funds raised through public offers and related matters.

(IV) GENERAL BODY MEETINGS

(a) Annual General Meetings ("AGM")

The AGMs are held at the registered office of the Company.

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

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

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

The details of the last three Annual General Meetings (AGMs) are given below in Table 11.

Table 11: Details of last three AGMs

AGM	Date	Time	Location
2018-19	August 29, 2019	10:30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2017-18	September 14, 2018	10:30 a.m.	Dalmia Higher Secondary School Auditorium, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2016-17	August 31, 2017	10:00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

(b) Special Resolutions

Table 12: Details of Special Resolutions passed during last three AGMs

Special Resolutions passed at the 67th AGM held on August 29, 2019	• Appointment of Shri Bharat Bhushan Mehta as Whole Time Director of the Company for a period of three years with effect from April 01, 2019. • Re-appointment of Mr. Panchapakesan Kannan as an Independent Director of the Company. • Alteration of the Articles of Association of the Company by insertion of a new article authorizing the Company to purchase its own shares or other specified securities.
Special Resolutions passed at the 66th AGM held on September 14, 2018:	• Continuation of appointment of Shri J.S. Baijal as an Independent Director, having attained more than seventy five years of age, till his remaining term as an Independent Director in the Company. • Continuation of appointment of Shri M. Raghupathy as an Independent Director, having attained more than seventy five years of age, till his remaining term as an Independent Director in the Company.
Special Resolutions passed at the 65th AGM held on August 31, 2017:	• Increase in the commission payable to Shri Jai H. Dalmia, Vice Chairman & Managing Director and Shri Gautam Dalmia, Managing Director, from existing 3% each of the net profits as computed under Section 198 of the Companies Act, 2013 to 5% each of the net profits as computed under Section 198 of the Companies Act, 2013 per person for the balance period of appointment. • Revision in remuneration of Shri Jai Hari Dalmia, Vice Chairman & Managing Director, with effect from April 1, 2017, as set out in the deed of variation dated June 15, 2017 to the agreement dated August 10, 2016 entered into between the Company and Shri Jai Hari Dalmia. • Revision in remuneration of Shri Gautam Dalmia, Managing Director of the Company, with effect from April 1, 2017, as set out in the deed of variation dated June 15, 2017 to the agreement dated August 10, 2016 entered into between the Company and Shri Gautam Dalmia.

(c) Postal Ballot

No Special Resolution was passed during financial year 2019-20 through postal ballot.

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

(V) MEANS OF COMMUNICATION

Quarterly results

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

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

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

Press Release / Presentations

The Company also issues the press release on the results immediately after the Board meeting and same is also disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) and is also posted on the website of the Company, i.e., www.dalmiasugar.com.

Disclosures

The Company files various disclosures with the Stock Exchanges including inter-alia, the quarterly Shareholding Pattern, Investors Complaints Report, Corporate Governance Report, Disclosures as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. electronically on NEAPS and BSE Listing Centre.

(VI) GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on September 18, 2020 at 10.30 a.m. through video conferencing or other audio video means.

The Register of Members and Share Transfer Books of the Company shall remain closed from 12th day of September, 2020 to September 18, 2020 (both days inclusive) for the purpose of Annual General Meeting.

(b) Financial year

The financial year of the Company is from April 01, 2019 to March 31, 2020.

(c) Dividend

Your Directors have, on February 13, 2020, declared an interim dividend of ₹2/- (100%) per equity share of face value of ₹2/- each for the financial year 2019-20 and same has been paid out on February 29, 2020 to the members of the Company who were on the register of members as on February 26, 2020, being the record date fixed for the purpose. The interim dividend was declared based on the financial and non-financial factors prevailing during the FY under review

(d) Listing

The Equity Shares of the Company are listed on the following Stock Exchanges:

(a) BSE Limited,
New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street fort,
Mumbai - 400001.

(b) The National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

The Company has made the payment of annual listing fees to both the Stock Exchanges.

(e) Stock codes

BSE Limited	: 500097
National Stock Exchange of India Limited	: DALMIASUG
ISIN (for Dematerialised Shares)	: INE495A01022

(f) Market price data and performance comparison

The market price data as per quotations of BSE Limited and National Stock Exchange of India Limited, i.e., high, low and close during each month in the financial year 2019-20 is given below in Table 13.

Table 13: High, low and close market price of the shares during financial year 2019-20 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2019	130.00	109.50	126.40	129.35	109.25	125.75
May, 2019	128.00	102.00	124.10	127.65	100.70	124.20
June, 2019	121.95	99.35	117.95	121.50	98.65	117.65
July, 2019	113.00	81.75	107.70	113.00	81.65	107.75
August, 2019	89.35	69.60	87.20	90.00	69.25	82.85
September, 2019	95.35	74.60	93.00	95.90	74.40	93.00
October, 2019	99.80	84.40	94.90	99.90	74.65	94.85
November, 2019	98.85	82.85	95.20	99.00	82.85	95.25
December, 2019	108.00	82.00	105.00	108.30	82.00	104.60
January, 2020	134.25	105.50	130.65	134.50	105.10	130.50
February, 2020	119.75	90.85	108.95	119.00	90.55	113.95
March, 2020	96.05	40.30	89.40	96.50	39.75	88.50

Chart A: Share Performance versus BSE Sensex

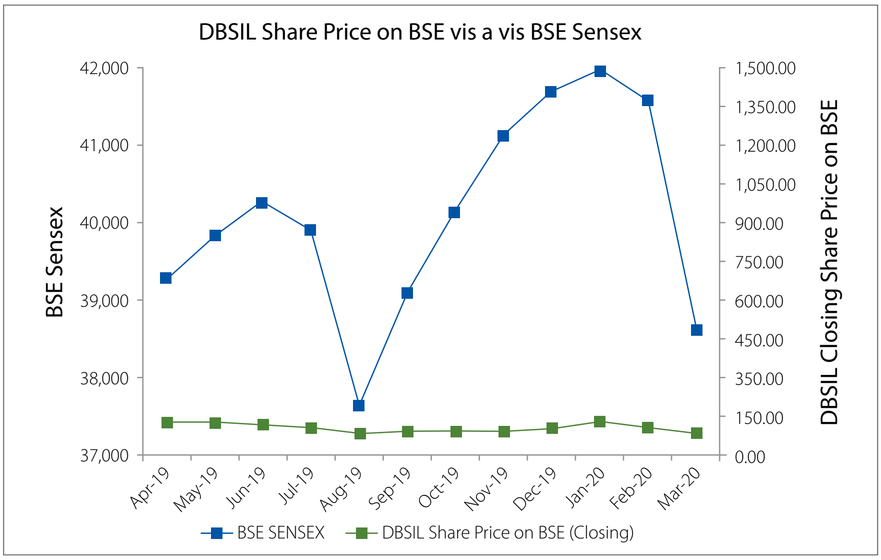
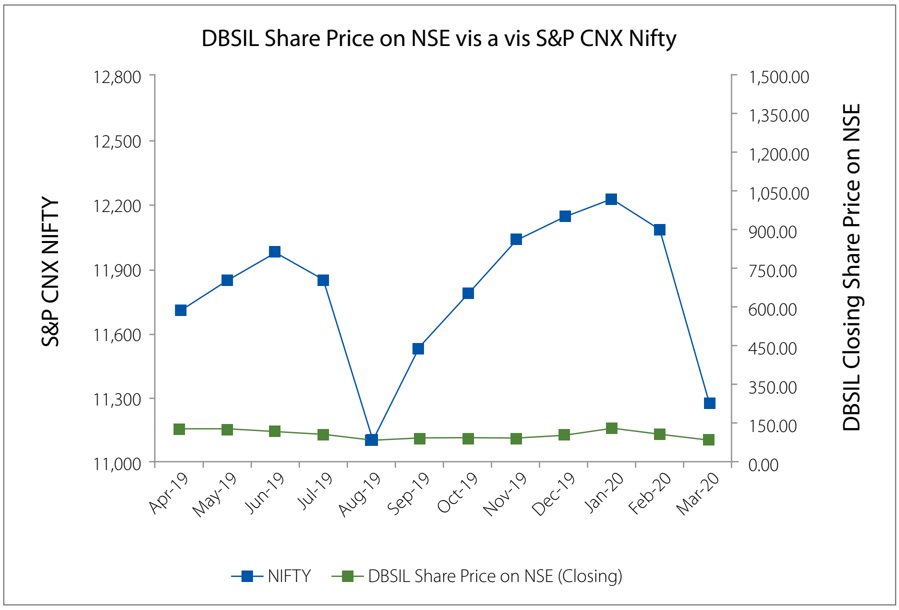


Chart B: Share Performance versus NIFTY



(h) Registrar and Transfer Agent

The Company has appointed KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) as the Registrar and Transfer Agent.

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District
Nanakramguda, Hyderabad – 500 032.

All activities in relation to the share transfer facility are carried out by the Registrar and Share Transfer Agent. A compliance certificate to this effect is submitted by the Company with the Stock Exchanges on a half yearly basis under signatures of the Compliance Officer of the Company and the authorized representative of the Registrar and Transfer Agent.

(i) Share Transfer System and dematerialization of shares and liquidity

The Company has provided demat facility to its shareholders with National Securities Depository Limited as well as Central Depository Services Limited.

A 98.56% of the equity shares of the Company are in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form.

The transfer of shares in physical form during the financial year was processed by the Registrars and Transfer Agents and completed and duly endorsed share certificates were returned to the shareholders within a period of 15 days of receipt of complete documents.

A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Savita Jyoti & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings.

(i) Distribution of Shareholding

Tables 14 and 15 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2020.

Table 14: Distribution of shareholding by size

Sl. no.	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	16305	80.44	2121137	2.62
2	501 - 1000	1817	8.96	1458328	1.80
3	1001 - 2000	1036	5.11	1583326	1.96
4	2001 - 3000	371	1.83	944354	1.17
5	3001 - 4000	183	0.90	657457	0.81
6	4001 - 5000	149	0.74	693796	0.86
7	5001 - 10000	235	1.16	1668455	2.06
8	10001 and above	174	0.86	71812450	88.72
	TOTAL:	20270	100.00	80939303	100.00

Table 15: Distribution of shareholding by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	8	0.04	792800	0.98
Promoters Bodies Corporate	11	0.06	59841322	73.93
Central/State Governments	4	0.02	128155	0.16
Financial Institutions/Banks	15	0.07	1504943	1.86
Mutual Funds	1	0.00	2500	0.00
Foreign Institutional Investors	6	0.03	312109	0.39
Bodies Corporates	241	1.21	1241072	1.53
NRI/Foreign Nationals	326	1.64	247068	0.31
IEPF	1	0.00	1319639	1.63
Individuals/Others	19201	96.91	15549695	19.21
Total	19814	100.00	80939303	100.00

(j) Outstanding GDRs/ADRs/Warrants/Options

Nil

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

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

Company is exporting large amount of sugar in view of export quotas announced by the Central Government. Most of these exports are done in foreign currency, hence there is a risk of exchange rate fluctuation specially in the current volatile scenario. The Company has hedged all the foreign currency exposures.

(l) Plant locations

The Company has manufacturing plants at various locations as detailed below in Table 16.

Table 16: Plant Locations

Sugar Plants		
Unit: Ramgarh Village & Post – Ramgarh, Tehsil - Mishrikh, District - Sitapur, Pincode - 261403, Uttar Pradesh	**Unit: Nigohi** Village-Kuiyan, Post- Areli,Tehsil - Tilhar, District - Shahjahanpur, Pincode - 242407, Uttar Pradesh	**Unit: Jawaharpur** Village- Jawaharpur, Post - Ramkot, Tehsil – Sitapur Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh
Unit: Shri Datta, Asurle - Porle Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode- 416229, Maharashtra	**Unit: Ninaidevi, Kokrud** Village & Post-Karungali-Aarala, Taluka – Shirala, District - Sangli, Pincode-415405, Maharashtra	
Distillery Units		
Unit – Jawaharpur Village- Jawaharpur, Post-Ramkot, Tehsil- Sitapur Sadar, District - Sitapur, Pincode - 261001, Uttar Pradesh	**Unit – Nigohi** Village-Kuiyan, Post- Areli, Tehsil - Tilhar, District - Shahjahanpur, Pincode -242407, Uttar Pradesh	**Unit–Asurle-Porle** Village - Asurle-Porle, Post – Porle Turf Thane, Taluka – Panhala, District - Kolhapur, Pincode- 416229, Maharashtra
Magnesite Refractory Products: Dalmia Magnesite Corporation (Prop. Dalmia Bharat Sugar and Industries Limited) Salem (Tamil Nadu) Vellakkalpatti, P.O. Karuppur, Salem – 636012.	**Wind Farm Unit:** Dalmia Wind Farm (Prop. Dalmia Bharat Sugar and Industries Limited) Muppandal (Tamil Nadu) Aralvaimozhy –629301 District Kanyakumari (Tamil Nadu)	**Electronics Division:** Dalmia Bharat Sugar and Industries Limited Plot No. 53, 54A, Keonics Electronics City, Phase - 1 Hosur Road, Bangalore – 560100, Karnataka

(m) Address for correspondence

Dalmia Bharat Sugar and Industries Limited

(1) Share Department
Dalmiapuram – 621651
Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 – 235132 Fax: 04329 235111

(2) Company Secretary
7th Floor
Hanasalaya Building
15, Barakhamba Road
New Delhi – 110 001

(VII) DISCLOSURES

(a) Significant related party transactions

All the related party transactions have been entered into in the ordinary course of business and at arms' length basis.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

The Company's Policy on Related Party Transactions is posted at https://www.dalmiasugar.com/upload/policies/DBSIL-RPT-Policy-Board.pdf

(b) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is posted at https://www.dalmiasugar.com/upload/policies/DBSIL-Material-Subsidiary-Policy-Board.pdf

As per the said policy, the Company do not have any material unlisted subsidiary.

The Audit Committee periodically reviews the financial performance of the subsidiary companies and the annual financial statements are placed at the Audit Committee meetings and Board meetings of the Company. The minutes of meetings of the Board of Directors of the subsidiary company are placed at the Board meeting of the Company. Statement of all significant transactions and arrangements entered into by subsidiary company is brought to the notice of the Board of Directors of the Company.

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

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

During the year no complaint has been received by the Company.

(d) Whistle Blower Mechanism

The Company has in place Whistle Blower Policy and Vigil Mechanism and same is posted on the Company's web-site at https://www.dalmiasugar.com/upload/policies/DBSIL-Whistleblower-Policy-Board.pdf. As per the said policy, access to the Chairman of the Audit Committee in appropriate cases is provided.

(e) Disclosure of accounting treatment in preparation of Financial Statements.

The Company has followed the guidelines of Ind AS specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

(f) Details of non-compliance

During last three years, there were no instances of non-compliance and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

(g) Compliance

Mandatory requirements:

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

Discretionary requirements:

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

The Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and is provided reimbursement of expenses incurred in performance of his duties.

The financial statements of the Company are with unmodified audit opinion.

The internal auditor reports directly to the Audit Committee.

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement

No funds have been raised by the Company through preferential allotment or qualified institutions placement in the last three years

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

The total fees paid by the Company to NSBP & Co., Chartered Accountants, the Statutory Auditors of the Company, during the year was ₹18.95 lakh.

(j) Unclaimed Suspense Account

Not applicable.

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Dalmia Bharat Sugar and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Sugar and Industries Limited ("the Company") for the financial year ended 31st March 2020, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

Opinion

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

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

Restriction on use

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

For Harish Khurana & Associates,
Company Secretaries

SD/-
(Harrish Khurana)
FCS - 4835
CP- 3506

Date: 19-06-2020
Place: Delhi
UDIN: F004835B000347540

To,
The Board of Directors
Dalmia Bharat Sugar and Industries Limited

Sub: - Compliance Certificate.

Dear Sir(s)/ Madam,

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

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
    a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:
    a) that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2020;
    b) that there are no significant changes in accounting policies during the financial year ended March 31, 2020; and
    c) that there are no instances of significant fraud of which we have become aware.

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

SD/-	SD/-
Anil Kataria	**Gautam Dalmia**
(Chief Financial Officer)	**(MD & Chief Executive Officer)**
PAN: AALPK4889N	DIN:00009758

Dated: June 19, 2020
Place: New Delhi

DECLARATION

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

SD/-
Gautam Dalmia
MD & Chief Executive Officer
DIN: 00009758

Dated: June 19, 2020
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dalmia Bharat Sugar and Industries Limited having CIN: L26942TN1951PLC000640 and having registered office at Dalmiapuram, Tiruchirapalli Distt., Tamil Nadu (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2020 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 Harish Khurana & Associates
Company Secretaries

SD/-
Harrish Khurana
C. P. No. 3506

Dated: June 19, 2020
Place: Delhi
UDIN: F004835B000347518

BUSINESS RESPONSIBILITY REPORT

About the Company

Dalmia Bharat Sugar and Industries Limited ("DBSIL/Company") is a part of Dalmia Bharat Group and ranks amongst the top sugar producers in India. We have successfully created a strong presence in B2B markets through our sugar mills and refining units. We have presence in two non-contiguous states, i.e., in Uttar Pradesh and Maharashtra. DBSIL's Jawaharpur and Nigohi units in Uttar Pradesh and Kolhapur unit in Maharashtra are fully-integrated having sugar mill, distillery and co-generation of power thereby maximizing the utilization of by-products, i.e., molasses and bagasse, reducing transportation costs and enhancing efficiency. Our sugar production increased to 6.13 lakh tonnes/annum, based on an aggregated cane crushing capacity of 35,500 tonnes per day while our distilleries possessed an aggregate capacity of 255 Kiloliters per day and cogeneration capacity of 120 megawatts (saleable 63.20 megawatts).

About this report

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations") prescribes that the top 1000 companies based on market capitalization as on 31st March of every financial year shall publish a Business Responsibility Report as part of their Annual Report. The Company is presenting its first Business Responsibility Report. This Business Responsibility Report of the Company is based on the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India. This report has been prepared in accordance with Regulation 34 of the Listing Regulations and provides the requisite information as prescribed by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26942TN1951PLC000640			
2.	Name of the Company	Dalmia Bharat Sugar and Industries Limited			
3.	Registered address	Dalmiapuram-621651, Dist. Tiruchirapalli, Tamil Nadu			
4.	Website	www.dalmiasugar.com			
5.	E-mail id	Khanna.aashima@dalmiasugar.com			
6.	Financial Year reported	1st April 2019 to 31st March 2020			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Group**	**Class**	**Sub Class**	**Description**
		107	1072	10721	Manufacturing of sugar
		110	1101	11011	Production of Industrial Alcohol
		351	3510	35106	Generation of Power
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Sugar, Industrial Alcohol, Power (Co-Generation)			
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations: Nil (b) Number of National Locations: The Company carries out its operations through its Registered Office in Dalmiapuram (Tamil Nadu), Corporate Office in New Delhi and five manufacturing facilities located across Uttar Pradesh at Ramgarh, Jawaharpur, Nigohi and across Maharashtra at Asurle Porle and Ninai Devi.			
10.	Markets served by the Company–Local/State/ National/International	The Company has pan India presence. Also, the international markets served by the Company include amongst others the Middle East, SAARC and Mediterranean Countries.			

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (₹)	16.19 crore
2.	Total Turnover (₹)	2,034.67 crore
3.	Total profit after taxes(₹)	198.01 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (₹)	₹3.90 crore , i.e., 2 % of the average net profits of last 3 years.
5.	List of activities in which expenditure in 4 above has been incurred	The Company spends on varied activities pertaining to CSR in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014. The details of various activities like soil and water conservation, skill training & livelihood, energy conservation, women empowerment, social development, etc. undertaken during the financial year under review are given under Principle 8 below and in the annual report on CSR attached as Annexure 5 of the Directors' Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	The Company has one subsidiary as on March 31, 2020.
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes, various Business Responsibility (BR) initiatives are undertaken throughout the year and the Company encourages its Subsidiary Company to participate in its BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than30%, 30-60%, More than 60%]	Stakeholder engagement is an important aspect of sustainability and leads to sustained profitability. We make sure that we are in regular touch with all our stakeholders to understand their needs, concerns and are open to their views and suggestions. This enhances informed decision-making and paves way for more effective compliance of business responsibility initiatives. We encourage all the stakeholders to participate in the business responsibility initiatives including inter alia ethics, transparency, accountability, environment protection, road safety, contractor safety, etc. However, the participation in percentage terms cannot be measured.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number	00006890
2.	Name	Shri Bharat Bhushan Mehta
3.	Designation	Whole Time Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri Pankaj Rastogi
3	Designation	Chief Operating Officer
4	Telephone number	011 23465100
5	e-mail id	Rastogi.pankaj@dalmiasugar.com

1. Principle-wise (as per NVGs) BR Policy/policies

The nine principles of the Company comprise:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.

P6	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.

(a) Details of compliance (Reply in Y/N)

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)	The Policies are based on the "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" and the generally accepted practices.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be Viewed online?	The policies have been uploaded on the website of the Company (www. dalmiasugar.com) in accordance with the provisions contained in the Companies Act, 2013 and Listing Regulations.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at Serial No. 1 against any principle is 'No', please explain why? (Tick upto 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 power or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

2. Governance related to BRR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The BR performance of the Company is assessed on a regular basis by the COO and Whole-time Director responsible for the BR. Further, the performance is assessed at least once in a year by the Board/the Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	The Company shall publish the business responsibility report annually. This, being the first business responsibility report, may be viewed on www.dalmiasugar.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   At DBSIL, we commit ourselves to achieve the highest standards of ethical and corporate governance and continue to improve compliance with our Code of Business Conduct. We endeavour to enhance our reputation as a responsible and sustainable Company to attract and retain talent, customers, suppliers, investors and to maintain long-standing relationships with the communities.

   Our core values act as a guiding principle – leading us through the path of growth and development in the most ethical, professional and transparent manner. We place a great emphasis on proactive risk management and robust internal systems to continuously monitor, analyse and ensure compliance with rules and regulations.

   The Code of Conduct for Directors and Senior Management, Whistle Blower Policy and Vigil Mechanism, Related Party Transactions Policy and Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, amongst others, serve as a roadmap for all employees of the Company and other stakeholders, wherever applicable. The Company has adequate control measures in place to address the issues relating to ethics, bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the financial year 2019-20, the Company received 144 investor complaints related inter-alia to non-receipt of annual report / dividend warrant / securities certificates after transfer or transmission. All complaints were resolved satisfactorily.

   Besides, 4 complaints were received from various stakeholders through the ethics helpline on issues related to discrimination, acceptance of kickback, misuse of authority & misappropriation. All the complaints were promptly investigated and resolved.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   1. Sugar
   2. Industrial alcohol
   3. Co-generation of power

   The design of Company's products incorporates social/ environmental concerns. The Company has bagasse-based co-generation facilities, which provide an advantage over fossil fuels as they reduce greenhouse emissions through renewable energy. The Company has invested in the optimisation of power and steam consumption, reducing additional bagasse and providing additional raw materials for enhanced operations of installed capacities.

   Earlier, effluents from sugar mills posed challenge but with the emergence of improved effluent treatment systems, treated effluents have become a boon for farmers owing to their downstream application in land irrigation. The treated water is recycled through RO plants and substitutes fresh water. The Industrial Alcohol units are Zero Liquid Discharge (ZLD) in status with a positive impact on the environment and regional ecological balances. The effluent from sugar facilities are treated efficiently through activated sludge removal, a substitute for fresh water.

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 always worked towards the optimal use of resources. The main cane crushing procedure generates molasses (as a byproduct) and bagasse (as waste). Molasses are utilized to manufacture ethanol ('green' fuel), while bagasse is being utilized to generate clean power. The sugar production process produces nearly 50% water (450 - 500 liters/tonne of cane crush) on cane crushed in the form of vapour condensate of 70-80 degree Celsius, out of which nearly 10% evaporates through water cooling systems like spray pond and cooling towers, while the remaining is captured within the system through recirculation, minimizing ground water extraction. All our sugar units are equipped with the latest effluent treatment plants (ETP) along with buffer storage reservoirs to avoid shock-dosing of the ETP with effluents of different pH levels and characteristics coupled with ponds for irrigation to ensure pollution control compliances. Since we are situated in the Ganga basin, we had upgraded our effluent treatment plants before others. As a result, the energy consumption in sugar production has reduced to 27.76 kwh/MT during the season 2019-20 compared to 29.00 kwh/MT from last season.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company makes periodic investments to reduce steam and power consumption by installing VFDs, planetary gears, power regeneration systems during braking and other technical advancements. We are equipped with the latest ETP with shock-load storage tanks and a lagoon for irrigation to ensure compliance with the norms laid down by the Pollution Control Board.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has deployed sustainable procurement practices. All plants of the Company are proximate to the cane growing area. Almost 100% of the raw materials are procured sustainably. Since the raw materials are procured from sources close to the units, it enables the Company to minimize transportation costs. A significant proportion of the cane is supplied by small and medium-scale farmers through bullock-driven carts due to the distance, reducing pollution.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company sources 100% sugarcane from areas close to the plants. It procures cane from the farmers (including small and medium scale-farmers) based in the areas allotted to the respective units by the Cane Commissioner. The Company connects the growers regularly through CDAs as well as otherwise. It assists them amongst others in testing of soil, recommending the fertilisers as required with their doses etc, rich quality seeds, irrigation practices and treatment of disease, if any.

   All transportation services and stationery items, printing materials, electrical goods and civil items are procured from local markets. The Company shares its knowledge and expertise in sustainable agricultural practices with the farmers for cane cultivation. Alongside this, the farmers are also encouraged to increase the use of available organic formulations like vermi-composting, bio-compost, FYM, etc. They are constantly monitored and provided with judicial inputs. These activities catalyse the improvement of quality and yield of cane, benefitting farmers and the Company.

   The Company has been highly effective in encouraging farmers to grow the best cane variety, increasing farmer yields and living standards. We are also renovating village ponds to harvest rainwater (runoff) to improve water table levels and for irrigation. To maintain long-term soil fertility, ecological and biological balance, we are also providing bio compost, K-ash and vermi-composting to farmers, reducing the use of chemical fertilizers and insecticides. Our in-house soil testing labs analyse farmer soil samples, which enables us to provide judicious solutions. We inspire our local vendors to widen their product range and increase their cane supply, an integral part of the vendor development programme.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separate lyas <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The principal cane crushing operation generates molasses as a by-product, which is utilized to manufacture ethanol. The waste generated from sugar crushing operations (bagasse) and distillery operations (spent wash) are used as fuels for generating clean energy. Boiler ash generated from the incineration plants is rich in potash and a vital soil nutrient. We installed K-Ash plant for converting rich potash into an agro-input. The spent-wash is also utilized with press mud (mulched together) to produce bio-compost (manure) of rich-nutrients for plants and recycled to maintain soil nutrients. Thus, the by-products and waste generated from the manufacturing processes are largely recycled.

Principle 3 - Businesses should promote the well-being of all employees

Our people form the bedrock of our success. As our personal brand ambassadors, they represent the Company in the communities in which they live and work, forming the backbone of our operational success by delivering benchmark performances. We provide a safe and rewarding environment for our talents. We profess a zero tolerance for accidents and mishaps and reinforce our safety practices to achieve our ambition of zero fatalities. The sugar manufacturing process can be unsafe if safeguards are not employed; our goal is to minimize danger and ensure that our human capital remains safe at all times. With an aim to 'make our factory an island of prosperity', we constantly work to create better livelihoods for those who work for us and those who live around us. We believe that strong, smart and healthy organizations are built by talents that are valued. Our people are the most valuable asset, having propelled our organization into a successful business entity. Our efforts are centered on synergizing efforts amongst our workforce and make a meaningful contribution in the lives of people. We foster an environment of communication, fairness, respect and trust, while creating opportunities for people to gain personal growth. We have fostered a strong culture of performance, quality, innovation and lateral thinking. Through continuous learning and development, we facilitate talent to build a pool of qualified professionals.

1. Please indicate the total number of employees.

   The total number of employees working for the Company stood at 2372 as on March 31, 2020.

2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis.

   The employees hired by the Company through contractors on contractual/ casual basis from time-to-time for various types of activities (project-based activities, cleaning, unskilled labour) stood at 440 as on March 31, 2020.

3. Please indicate the number of permanent women employees.

   As on March 31, 2020, there were about 5 permanent women employees on the Company's payroll.

4. Please indicate the number of permanent employees with disabilities.

   As on March 31, 2020, there were no permanent employees with disabilities working for the Company.

5. Do you have an employee association that is recognized by the management?

   There is workers' union at Maharashtra Plant(s) recognized by the management.

6. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   There was no complaint relating to child labour, forced labour, involuntary labour, sexual harassment received during the last financial year.

7. What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?

   100% of the permanent and contractual employees were given safety training during the last financial year. Also, various skill upgradation programs were conducted and same were attended by the permanent and contractual employees as per their respective areas of need for such training. Atleast one such training program was attended by all the employees.

   We inculcate leadership, knowledge and change within the talent, and thus, within the organization. We identify the skills required for critical roles at each level, and impart the skill in the talents. Our human capital provides us a competitive advantage. We, at DBSIL, acquire the best and nurture talents. While transforming and expanding, we develop the potential of our human capital to provide leadership responsibilities and equip our talents with the tools to succeed in challenging environments.

   Our Leadership Learning and Change Institute, NALANDA, is an independent institute headed by a dean. It is charged with the role of creating new leaders, bringing new learning and acting as change agent of the Company. The Dalmia Technical Institute (DTI) is an arm of NALANDA, responsible for identifying knowledge gap areas through tools like performance management system, 360 degree reflect and individual development planning; and then formulating customized intervention programmes to ensure career progression. One such initiative is 'Lakshya', which ensures the recognition of high potential talents and nurture them for higher roles. A productive combination of technical, behavioral and leadership interventions are provided to the talents. We conduct bi-monthly sessions on various topics like inter-alia safety, management systems, certifications, total preventive maintenance, values and ethics. During the financial year 2019-20, safety and skill up-gradation intervention was inculcated by the Company to almost 100% of both the permanent talents and the temporary/contractual talents. We consider our talents as our most valuable assets and are committed to providing them with a safe, healthy and synergistic environment, which aligns organization goals with their individual goals.

   We also believe that a satisfied and motivated talent leads to higher service, quality and productivity that in turn leads to higher customer satisfaction. Owing to this reason, we strive to ensure talent well-being and organize regular intervention/awareness sessions on material aspects and occupational health hazards. Transparent and regular communication is the cornerstone of effective talent engagement. Our communication platform 'SPARSH' enables seamless sharing of best practices and learnings. Our quarterly in-house magazine, namely 'Pragati' and monthly electronic magazine 'Insider' highlights business strategy and sustainability initiatives taken by the organization. Initiatives like Anandam, Saksham and Prerna facilitates better work-life balance and well-being of our talents.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes.

2. Has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Our CSR team constantly engages with various stakeholders and like-minded non-government organizations, educational institutions, research institutions, hospitals, trusts, etc., to identify the underprivileged communities. Within the communities, we place extra emphasis on women, children and the youth. We work extensively for the social and economic development of such communities through specifically designed programmes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company carries out development activities and provides necessary guidance to the small and marginalized cane growers with regard to selection of the right variety of seed, agri-inputs and agronomical practices, among others. The promotion of energy-efficient cooking methods and the installation of solar lighting particularly benefited the women and children of the communities. Women Self Help Groups are promoted and skills development training sessions (stitching and weaving, among others) are conducted to create additional avenues of income generation for them. Also maternal, neonatal and adolescent health camps are run periodically. For children, many school intervention programmes have been implemented and remedial education centres have been established. The construction of individual sanitary latrines in line with 'Swachh Bharat Abhiyaan' and 'Swachh Vidyalaya Abhiyaan' have also benefited the local community. Skill training centres (ITI and DIKSHa) are being run to ensure skill development and enhancing the employability of the local youth.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   We respect human beings first and thus promote human rights of all our stakeholders within and beyond the boundaries of our business operations. We believe that respectful and productive business dealings can only be achieved through strong organizational values. We avoid complicity with human rights abuse by third parties as well. We are committed to ensuring that all are treated with dignity and respect. The human relations and the legal & compliance department, in collaboration with other functions, ensures that the human rights are upheld and reinforced from time to time at the operational level. We work proactively with our suppliers and other stakeholders within the value chain to ensure that they are aware of and respect the rights of the individuals and communities that we operate in.

   We neither engage in nor support forced labour and it is ensured that all talents work voluntarily. The terms and conditions relating to the engagement are communicated prior to acquisition. As an act to reinforce our commitment towards human rights at the operational level, regular inspections are held at the plant level to ensure non engagement of child labour. To ensure the same, contractual talents are screened and suppliers are encouraged to practice non tolerance towards child labour.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaint was received pertaining to human rights violation during the past financial year.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

   The Company's policies on respecting, promoting and restoring the environment covers all the employees of the Company and extends to the Group. The Company also encourages its vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

   Global environment issues such as climate change, global warming, GHG emissions pose huge concern. The Company is working extensively to bringing a positive change.

   Various steps are taken to use the clean energy. At the captive power plants, bagasse is used as fuel for generating power. At the distillery, spent-wash is mixed with bagasse and used as fuel in boilers to generate clean energy through the incineration process in a bid to minimise the carbon footprint.

   Access to clean energy in rural areas is dismal compared to urban areas. We leverage innovation-based mechanisms to provide rural households with adequate sources of clean energy like cooking stoves, renewable energy solutions like solar lighting, LPG gas connections, solar mini grids and solar street lights, among others. Convincing rural people to adopt cleaner sources of energy is also very challenging task. Through constant engagement, we encourage the use of LPG in line with the national initiative of Pradhan Mantri Ujjwala Yojana.

   Also, the Company provides treated water to the farmers for irrigation purposes. We use fly ash bricks for construction purposes at plants in Maharashtra.

3. Does the company identify and assess potential environmental risks? Y/N

   The Company does identify and assess potential environmental risks. However, since the raw material used in sugar manufacturing is sugarcane, which is a natural product, there are no significant environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Yes. Steps ae taken as discussed in point no. 2 above.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes, the Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc.

   At the captive power plants, bagasse is used as fuel for generating power. At the distillery, spent-wash is mixed with bagasse and used as fuel in boilers to generate clean energy through the incineration process in a bid to minimise the carbon footprint. Also, the Company has wind power plant in District Kanyakumari, Tamil Nadu.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

   The emissions/ waste generated by the company are within the permissible limits of CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause /legal notices have been received from CPCB/ SPCB during the financial year 2019-2020.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If yes, name only the major ones that your business deals with:

   The Company is a member of various trade, industry and chamber associations like CII, FICCI, Indian Chamber of Commerce, Indian Sugar Mills Association, UP Sugar Mills Association, UP Sugar Mills Co Gen Association, UP Distillery Association and STAI, amongst others.

2. Have you advocated/ lobbied through above associations for the advance mentor improvement of public good? Yes/ No; if yes, specify the broad areas (dropbox: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   The Company prefers to be a part of the broader policy development process, taking into account the Company's, national and stakeholders' interests. However, it does not lobby any specific issue.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

   The Company has specified various programmes/ initiatives/ projects which are largely being undertaken through Dalmia Bharat Foundation ('DBF'). DBF is a registered non-profit organisation set up by the Company in 2009, in order to carry out the programmes and projects of the Dalmia Bharat Group's CSR division.

   Details of projects are as under:

   Soil and water conservation

   DBSIL, through its CSR initiatives, reached out to a total population of 3.29 lakh villagers spread across 203 Villages around its operational areas in the state of Maharashtra and Uttar Pradesh. Our initiatives enabled additional water harvesting and savings of 8.16 lakh m3 this year through location-specific water conservation measures.

   Some 25 village ponds were renovated, paving way for the conservation of almost 5.53 lakh m3 of water, benefiting more than 2000 individuals. Out of the ponds de-silted, two are being used for pisciculture. This resulted in additional earnings of ₹3,000 per beneficiary.

   Drip Irrigation was implemented across 35 acres, benefiting 175 villagers in Kolhapur district, saving 2.63 lakh m3 of water and generating additional earnings of ₹14,000 per acre.

   Avenue plantation was taken up by planting 503 saplings around the operational villages in Uttar Pradesh.

   Sustainable sugarcane initiative

   A pilot project in improved sugarcane cultivation is being implemented in Sitapur in Uttar Pradesh. The project intends to disseminate the knowledge of best practices among sugarcane cultivators and set up demonstration plots for practical learning and its replication among the farmers. The Company shortlisted 100 farmers from 20 villages to work with clear deliverables based on the principle of sustainable sugarcane cultivation.

   Access to clean energy

   Our initiatives ensured access to clean cooking and lighting solutions to 787 villagers in the areas of operation in Maharashtra and Uttar Pradesh. Overall the project reduced evasion of 736.2 tonnes of Co2.

   Some 135 households around the operational areas adopted clean cooking solutions, reducing indoor air pollution and evasion of 736 tonnes of Co2. This resulted in financial savings of ₹7.29 lakh on their purchase of fuel wood and 7712 hours saved on wood collection.

   Solar-powered pumping solutions were installed in two locations in Uttar Pradesh, helping more than 250 villagers to irrigate as well as cultivate their land. This initiative has aided in an incremental increase in earnings ₹10,000 for the beneficiaries.

   Skill training for livelihood

   Our initiatives in skilling development benefitted 3767 families, resulting in an average increase of ₹60,000 per year for each beneficiary.

   Livelihood projects: DIKSHa (Dalmia Institute of Knowledge and Skills Harnessing) was set up at two locations in the state of Uttar Pradesh. It imparted training to 544 unemployed people, out of which, 329 of them gainfully employed with an average monthly salary of ₹8,000 per month.

   Livestock breed improvement: For improving the quality and productivity of the livestock, the Company has engaged with a professional organisation to work with the villagers in the operational projects in the district of Sitapur and Shahjahanpur in Uttar Pradesh.

   - 747 calves were born and another 1029 cows and buffaloes are pregnant
   - 2880 cows and buffaloes were artificially inseminated
   - 1872 farmers participated in awareness meetings
   - 24 infertility camps were organized and 780 animals got treated

- 2 exclusive trainings were conducted on AIT
- 3 guided exposure visits were organised
- Improved fodder support was extended to 308 families
- 132 EPD (early pregnancy detection) kits were also provided to the farmers during the year

Farm-based skill training: 100 farmers were trained in cultivation practises, increasing their income from agriculture.

Off-farm-based skill training: 140 youth were trained on alternate / improved livelihood options for enhancing their income.

Self-help groups (SHGs): The Company continued to work with 2672 marginalised women, who were sent to 242 SHGs across the operational areas in the State of Maharashtra and Uttar Pradesh. Owing to this, the women collectives have been able to save around ₹66.25 lakh as their corpus and are earning an additional income of ₹2,500 per month through income generation activities.

Moongcraft: As a part of the on-going effort, our initiative of working with Moongcraft artisans continued with a special focus on building their capacity on product development, quality and marketing. 60 women were gainfully employed and continue to earn an average salary of around ₹4,000 per month.

Social development

The Company reached out to around 50000 villagers across the project locations and need-based projects were taken-up / facilitated to ensure that the basic needs of the communities were met.

World on Wheels project: This partnership project, in collaboration with HP India, helped the Company reach out to 4654 villagers across two districts in Maharashtra and Uttar Pradesh. It reached out to school children, youth, women, farmers and senior citizens, educating them on digital literacy, Government schemes, employment-linked training and improved farming practises.

Rural Haat: The Company partnered with NABARD in constructing Rural Haat in Ramgarh in the district of Sitapur of Uttar Pradesh. 52 small and marginal farmers are regularly benefited from the project, helping them to earn an additional income of ₹2,000 per month.

Open defecation-free villages: The Company worked closely with district officials and communities in the State of Uttar Pradesh and facilitated the construction of 1988 ISLs, which benefited around 9940 villagers across 67 villages. This effort enabled savings of ₹2,000 per family in annual medical expenses. As a result, 34 villages are set to be declared as ODF.

Happy School Project: The Company worked with 16 institutions, including both schools and anganwadis to improve their infrastructural facility.

Community RO Plant: Three community operated RO plants were set up under the build and transfer mode, to provide safe drinking water to 25160 villagers in the operational areas in the district of Kolhapur and Sangli of Maharashtra.

Preventive health care camp: The Company organised eight preventive health care camps, benefiting 6455 villagers.

Veterinary camps: The Company organised 24 camps in partnership with the Government line department, benefiting 1960 animals and treating them for foot and mouth diseases, artificial insemination and basic ailments.

Government Health Care Scheme: This facilitated 922 villagers to be enrolled in the health care schemes of the State Government for cashless treatment.

Observing national and international days: The Company conducted regular awareness programmes to educate the community about the days of social importance.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

   The projects are implemented by DBF through its team of qualified professionals. DBF also partners with like-minded institutions for undertaking projects focused on soil and water conservation, access to clean energy, skill-upgradation for livelihood and social development.

   Our programmes combine in-depth long-term plans and strategies along with medium and short-term initiatives and campaigns. Due to the prevailing differences across our locations, we adopt a flexible, multi-interventional approach that allows programmes and people to grow towards sustainability. We have four focus areas, which have been derived from the needs of the community and issues related to the business.

3. Have you done any impact assessment of your initiative?

   Yes, we do undertake impact assessment of our initiatives and also take regular community feedback for our projects.

4. What is your company's direct contribution to community development projects -Amount in ₹ and the details of the projects undertaken?

   During the financial year 2019-20, the Company has spent an amount of ₹3.90 crore on its CSR activities. The details of projects and related expenditure by the Company are provided in the annual report in the CSR activities section of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Through DBF's mission of 'To facilitate the stakeholders hasten the social capital, economic and environment progress through effective management of human and natural capital' it acts as a facilitator of change through active participation of the community as partakers in development and not as end-beneficiary.

   Every project initiated by DBF has an in-built focus on engagement with the community from identification, execution and sustenance of projects through the established social capital.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   The Company has successfully resolved all the complaints received during the financial year ended March 31, 2020 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 packages, is displayed. Besides, the Company complies with the regulations as provided in the Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide details thereof, in about 50 words or so.

   No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   No formal survey was carried out during the year under review. However, the Company remains in regular touch with the customers and resolves their issues, if any, or priority basis. The Company has been receiving repeat orders from same customers which evidences customer satisfaction.

Independent Auditors' Report

To
The Members of
Dalmia Bharat Sugar and Industries Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Dalmia Bharat Sugar and Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	**Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims.** During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognised subsidy claims amounting to ₹ 4.55 crore. We considered this as key audit matter because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty in relation to the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims. For details: - Refer Note No. 51 to the Financial Statements.	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims. Company has formulated the policy for recognition of subsidy in the books of accounts and based on the same the company has accounted the income during the year. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/ claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims. The company has recognized the subsidy to the extent the company has complied with relevant notifications. Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.

Sr. No.	Key Audit Matters	Auditor's Response
2.	**Determination of net realizable value of inventory of sugar as at the year ended March 31, 2020** As on March 31, 2020, the Company has inventory of sugar with the carrying value ₹ 1,159.78 crore. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value. For details: - Refer Note No 8 & 35 to the Financial Statements.	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A "a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt

with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;

e. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN:- 20095541AAAADJ2029

Place: New Delhi
Date: June 19, 2020

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited on its standalone financial statements dated May 20, 2019.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies have duly been adjusted in the financials.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except for 2.79 acres (having gross block and net block of ₹ 0.13 crore) of land at Salem for which all dues for transfer of land in favour of the Company have been paid and transfer of title in the name of company is awaited.

ii. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. In view of the lockdown restriction imposed by the Government, our attendance at the physical inventory verification done by the management was impracticable. Related alternate audit procedures were therefore relied up on to obtain assurance over the existence and condition of inventory at the year end.

iii. (a) The Company has granted unsecured loans to a company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans is not prejudicial to the interest of the Company's.

(b) The Company has granted loans re-payable on demand to party covered in the register maintained under section 189 of the Act. As per information and explanations given to us, during the year, the company has converted its loan into investment in Optionally Convertible Debenture amounting to ₹ 150 crore.

(c) Since there is no overdue amount as on the date, the relevant reporting is not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Provident Fund, employees' State Insurance, Income-tax, Sales-tax, Service Tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, duty of customs, goods and service tax, cess & value added tax which have not been deposited on account of any dispute, except dues of service tax, duty of excise and sales tax along with the forum where the dispute is pending as follows:

Name of Statue	Nature of dues	Forum where dispute is pending	Period for which the amount relates	Amount (in ₹ crore)*
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Assistant Commissioner, LTU, Delhi.	2012 to 2015	0.29
Central Excise Act, 1944	Demand of duty on sale of Electricity.	CESTAT, Delhi	April 2010 to June 2010	1.64
Central Excise Act, 1944	Demand of duty on storage loss of R.S. and ENA.	CESTAT, Delhi	December 2009 to March 2010	0.01
Central Excise Act, 1944	Denial of cenvat credit on M.S. Pipes, MS Angles, Steel, Channels, Aluminium Sheets, Bars & Rods, etc.	High Court, Allahabad	June 2005 to September 2005	0.04
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner (A) , LTU	April 2011 to July 2014	0.18
Central Excise Act, 1944	Demand of Interest on reversal of credit taken on Cement.	Dy. Commissioner	March 2006 to March 2007	0.06
Central Excise Act, 1944	Denial of credit on Welding Electrodes.	Commissioner(A)	December 2009 to March 2010	0.01
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner(A)	April 2010 to July 2014	0.47

Name of Statue	Nature of dues	Forum where dispute is pending	Period for which the amount relates	Amount (in ₹ crore)*
Finance Act, 1994	Demand of Service tax on Commissioning & Installation charges.	Dy. Commissioner	2006-07 & 2007-08	0.03
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Commissioner (A)	2012 to 2015	0.36
Finance Act, 1994	Demand of Service tax on the Commission paid by Galilio on their system.	Dy. Commissioner	December 2008 to September 2009	0.02
Central Excise Act, 1944	Denial of Cenvat Credit to erstwhile SDSSKL	Rev. Authority	2004-2005	0.13
Finance Act, 1994	Demand of Service tax on reimbursement of expenses received from various banks for the dividend a/c under Reverse charge mechanism.	Additional Commissioner LTU, New Delhi	2013-14	0.05
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal)	2006-2007	0.11
Central Sales Tax	Entry tax demand	High Court, Allahabad	2000-2001	0.03
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal) Lucknow	2012-13	0.12
Central Sales Tax	CST demand	1st Appeal, Lucknow	2015-16	0.17

*Net of amount deposited.

viii. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of its dues to a financial institution, banks and Government. The Company has not taken any loans from debenture.

ix. According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the terms loans raised by the Company have been applied for the purpose for which they are were obtained. Where such end use has been stipulated by the lender(s).

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management except some excess payment to H&T Contractors/cane farmers and to one of the vendor amounting to ₹ 0.51 crore and ₹ 0.07 crore respectively against which the company has recovered/hold the amount of ₹ 0.35 crore.

xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

xiv. As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Act are not applicable.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN:- 20095541AAAADJ2029

Place: New Delhi
Date: June 19, 2020

Annexure B to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited ('the Company') on its standalone financial statements dated June 19, 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Dalmia Bharat Sugar and Industries Limited ("the Company") as of March 31, 2020 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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN:- 20095541AAAADJ2029

Place: New Delhi
Date: June 19, 2020

Standalone balance sheet as at March 31, 2020

(₹ in crore)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	1,352.43	1,315.61
b) Capital work - in - progress	4	6.18	10.92
c) Intangible assets	4	0.35	0.52
d) Financial assets	5		
i) Investments	(i)	252.55	198.43
ii) Loans	(ii)	26.19	27.50
iii) Others	(iii)	0.45	0.51
e) Income tax assets (net)	6	19.16	18.96
f) Other non-current assets	7	2.67	8.85
Total Non-current assets		**1,659.98**	**1,581.30**
B) Current assets			
a) Inventories	8	1,329.21	1,095.09
b) Financial Assets	9		
i) Investments	(i)	194.33	90.00
ii) Trade receivables	(ii)	169.79	203.57
iii) Cash and cash equivalents	(iii)	66.39	27.61
iv) Bank Balances other than (iii) above	(iv)	0.64	0.54
v) Loans	(v)	0.76	128.34
vi) Others	(vi)	46.68	48.01
c) Other current assets	10	59.80	32.63
d) Asset held for sale		0.08	-
Total Current assets		**1,867.68**	**1,625.79**
Total Assets		**3,527.66**	**3,207.09**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	16.19	16.19
b) Other equity	12	1,592.32	1,533.56
Total Equity		**1,608.51**	**1,549.75**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	424.39	460.75
ii) Others	(ii)	3.67	3.67
b) Provisions	14	29.43	22.82
c) Deferred tax liabilities (net)	15	101.70	97.11
d) Other non current liabilities	16	12.34	16.53
Total Non- current liabilities		**571.53**	**600.88**
Current liabilities			
a) Financial liabilities	17		
i) Borrowings	(i)	768.21	517.00
ii) Trade payables	(ii)		
Due to MSME		1.52	0.05
Others		400.45	420.13
iii) Others	(iii)	139.54	97.46
b) Other current liabilities	18	32.57	15.11
c) Provisions	19	5.33	6.71
Total Current liabilities		**1,347.62**	**1,056.46**
Total equity & liabilities		**3,527.66**	**3,207.09**
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		

The accompanying note no. 1 to 53 are integral part of these standalone financial statements.
As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashima Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : June 19, 2020

Standalone statement of profit and loss for the year ended March 31, 2020

(₹ in crore)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Revenue			
Revenue from operations	20	2,034.67	2,018.51
Other income	21	137.06	86.91
Total Income (I)		**2,171.73**	**2,105.42**
II. Expenses			
Cost of raw materials consumed	22	1631.46	1,736.24
Change in inventories of finished goods and work in progress	23	(224.49)	(328.02)
Employee benefits expense	24	133.64	118.66
Finance costs	25	88.38	68.61
Depreciation and amortization expense	4 & 26	57.23	51.55
Impairment of Property, plant and equipment	4 & 47	0.00	28.65
Other expenses	27	233.56	225.93
Total Expenses (II)		**1,919.78**	**1,901.62**
Profit/(loss) before exceptional items and tax		**251.95**	**203.80**
Exceptional items		0.00	0.00
Profit/(loss) before tax		251.95	203.80
Tax expense:	28		
Current tax		47.83	43.63
Deferred tax		6.11	(27.21)
Total of tax expense		**53.94**	**16.42**
Profit/(loss) for the year from continuing operations		**1,98.01**	**187.38**
Other comprehensive income	29		
a. i) Items that will not be reclassified to profit/(loss)		(95.59)	(88.73)
ii) Income tax relating to items that will not be reclassified to profit/(loss)		0.41	1.18
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		(13.74)	1.57
ii) Income tax relating to items that will be reclassified to profit/(loss)		4.80	(0.55)
Total comprehensive income for the year (net of taxes)		**93.89**	**100.85**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		24.46	23.15
Diluted (in ₹)		24.46	23.15
[Face value of share ₹ 2 each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

The accompanying note no. 1 to 53 are integral part of these standalone financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashima Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
C.F.O
PAN: AALPK4889N

B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : June 19, 2020

Standalone statement of cash flows for the year ended March 31, 2020

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities		
Net Profit before tax	**251.95**	**203.80**
Adjustments for Non-cash and Non -operating items:-		
Add:-		
Depreciation / Amortization and impairment	57.23	80.20
Provision for doubtful debts/ advances	0.00	0.00
Bad Debts/ Advances written off	0.11	0.02
Finance Cost	88.38	68.61
Less:-		
Dividend Income	(0.79)	(0.34)
Interest Income	(7.08)	(16.54)
(Profit)/Loss on sale of Investments	(0.77)	(5.47)
Changes in Fair Value of Investments	(5.34)	(6.29)
(Profit)/Loss on sale of property, plant & equipment and Assets written off	1.25	(0.14)
Grant amortized	(37.85)	(15.86)
Operating Profit before working Capital Changes	**347.09**	**307.99**
Adjustments for working Capital changes :		
Inventories	(234.12)	(345.33)
Trade and Other Payables	146.72	2.51
Trade and Other Receivables	7.43	(141.92)
Cash Generated from Operations	267.12	(176.75)
Direct Taxes (Paid)/Refund	(44.34)	(43.60)
Net Cash generated from operating activities	**222.78**	**(220.35)**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(90.37)	(106.97)
(Purchase)/ Sale of Investments	(246.75)	73.22
Interest Received	7.08	3.87
Dividend Received from Non Current Investments	0.79	0.34
Net Cash used in Investing Activities	**(329.25)**	**(29.54)**
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short term Borrowings (net)	251.21	171.82
Proceeds/(Repayment) of Long term Borrowings (net)	(18.49)	99.66
Finance Cost	(52.34)	(52.83)
Dividend Paid	(29.14)	0.00
Corporate Dividend tax paid	(5.99)	0.00
Net cash used in financing activities	**145.25**	**218.65**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**38.78**	**(31.24)**
Cash and cash equivalents at the beginning of the year	27.61	58.85
Cash and cash equivalents at the end of the year	66.39	27.61

Standalone statement of cash flows for the year ended March 31, 2020

(₹ in crore)

Components of Cash & Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Cash on hand	0.27	0.16
Cheques, drafts on hand	0.15	0.00
Balances with banks	65.97	27.45
Net Cash & Cash Equivalents	**66.39**	**27.61**

Note:

1) Cash & cash equivalents components are as per Note 9 (iii).
2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".
3) last year numbers are regrouped and reclassified, wherever considered necessary.

	Notes
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 53 are integral part of these standalone financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	**Aashima Khanna**	**Anil Kataria**	**B B Mehta**	**Gautam Dalmia**
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : June 19, 2020

Standalone statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

(₹ in crore)

	As at March 31, 2020	Changes during the year	As at March 31, 2019	Changes during the year	As at April 01, 2018
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ in crore)

	Reserves and Surplus			Items of other comprehensive income			
	Capital reserve	Retained earnings	General Reserve	Equity instruments through other comprehensive income	Cash flow hedge	Acturial Gain & Losses on Defined Benefits Plan	Total
Balances as at April 01, 2018	**4.07**	**1,117.39**	**52.54**	**262.07**	**-**	**(3.36)**	**1,432.71**
Movement during FY 18-19							
Dividends including Dividend distribution tax paid during the year		-					-
Profit for the year		187.38					187.38
Transfer to general reserve		-	-				-
Other comprehensive income				(85.36)	1.02	(2.19)	(86.53)
Balances as at March 31, 2019	**4.07**	**1,304.77**	**52.54**	**176.71**	**1.02**	**(5.55)**	**1,533.56**
Movement during FY 19-20							
Dividends including Dividend distribution tax paid during the year		(35.13)					(35.13)
Profit for the year		198.01	-				198.01
Other comprehensive income				(94.42)	(8.94)	(0.76)	(104.12)
Balances as at March 31, 2020	**4.07**	**1,467.65**	**52.54**	**82.29**	**(7.92)**	**(6.31)**	**1,592.32**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 53 are integral part of these standalone financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	**Aashima Khanna**	**Anil Kataria**	**B B Mehta**	**Gautam Dalmia**
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : June 19, 2020

Notes to Financial Statements for the year ended March 31, 2020

1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on June 19, 2020.

B. Basis of preparation and presentation.

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

C. Current/Non-current assets and liabilities:

A. Current Assets – An asset is classified as current when:

(a) The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) The company holds the asset primarily for the purpose of trading;

(c) The company expects to realise the asset within twelve months after the reporting period;

(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

B. Current Liability – A liability is classified as current when:

(a) The company expects to settle the liability in its normal operating cycle;

(b) The company holds the liability primarily for the purpose of trading;

(c) The liability is due to be settled within twelve months after the reporting period; or

(d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

D. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

E. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. Impairment of financial and non-financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

F. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3. Significant accounting policies

A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.

B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013, except plant & Machinery of sugar and distillery segment where it is taken at 25 years. The following methods of depreciation are used for PPE and Intangible assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all PPE at Wind Farm Unit, MLCC division, Sugar units and Distillery units	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining PPE	Written down value method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.
Capital Spares	Based on technical estimates by the management depreciated on straight line method over a period of 10 years.

E. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

  Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (IND AS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absenteeism as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

J. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

d. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

K. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

Notes to Financial Statements for the year ended March 31, 2020

iv. **Debt instruments at amortized cost**

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. **Debt instrument at Fair value through Profit or loss**

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

vi. **Debt instruments at Fair value through other comprehensive income**

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

(a) Interest calculated using EIR

(b) Foreign exchange gain and losses; and

(c) Impairment losses and gains

vii. **Equity investments**

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. **Derecognition**

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

(b) Financial liabilities & Equity

i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent Measurement of Financial Liabilty

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Notes to Financial Statements for the year ended March 31, 2020

ix. Derivative financial instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivatives that are designated as hedges are classified as current and non current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

x. Cash flow hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

L. Investments in subsidiaries, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

M. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sales is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. For consolidation purposes these transfers are eliminated from respective heads.

Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent it is sold.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The company being a manufacturing entity does not generally provides services in the normal course of business.

However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- **Initial recognition**

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- **Conversion**

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- **Exchange differences**

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

O. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes

Notes to Financial Statements for the year ended March 31, 2020

MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

P. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the company recognizes the impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized in the financial statements.

R. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

S. Impairment

Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

Notes to Financial Statements for the year ended March 31, 2020

4. Property plant & equipment, intangible assets & capital work in progress

(₹ in crore)

Particulars	Tangible Assets								Intangible Assets			Total
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	
Cost or revalued amount												
as at 01 April,2018	581.64	0.58	181.86	1,259.97	7.97	4.36	5.20	2,041.57	3.64	1.98	5.62	2,047.20
Additions	0.65	-	15.85	84.24	0.45	1.77	0.32	103.29	-	0.03	0.03	103.32
Disposals	-	-	-	0.11	0.02	0.67	0.40	1.20	-	-	-	1.20
as at 31st March,2019	582.29	0.58	197.71	1,344.10	8.40	5.47	5.13	2,143.66	3.64	2.01	5.65	2,149.32
Additions	0.31	-	2.68	93.96	0.35	0.40	0.86	98.57	-	0.19	0.19	98.76
Disposals	0.56	-	0.20	8.77	0.09	0.18	0.23	10.04	-	-	-	10.04
as at 31st March,2020	582.03	0.58	200.19	1,429.29	8.65	5.69	5.76	2,232.19	3.64	2.20	5.84	2,238.04
Depreciation and amortisation												
as at 01 April,2018	0.01	0.15	66.41	670.57	6.05	2.49	4.38	750.09	2.74	1.15	3.90	753.99
Charge for the year	-	0.02	5.03	43.93	0.38	0.61	0.35	50.32	0.88	0.36	1.23	51.55
Impairment Loss (refer note no. 48)	-	-	3.80	24.85	-	-	-	28.65				28.65
Disposals	-	-	-	0.11	0.01	0.50	0.40	1.01			-	1.01
as at 31st March,2019	0.01	0.17	75.24	739.24	6.42	2.61	4.33	828.05	3.62	1.51	5.13	833.19
Charge for the year	-	-	5.71	49.82	0.33	0.60	0.40	56.86	0.02	0.34	0.36	57.23
Impairment Loss	-	-	-	-	-	-	-	-				-
Disposals	-	-	0.04	4.66	0.06	0.18	0.23	5.16			-	5.16
as at 31st March,2020	0.01	0.17	80.92	784.41	6.70	3.03	4.50	879.76	3.64	1.85	5.49	885.27
								-				
Net Block								-				
as at 31st March,2019	582.28	0.41	122.47	604.86	1.98	2.86	0.79	1,315.61	0.02	0.50	0.52	1,316.13
as at 31st March,2020	582.02	0.41	119.27	644.89	1.95	2.65	1.26	1,352.43	0.00	0.35	0.35	1,352.78
Capital Work in Progress*												
as at 31st March,2019												10.92
as at 31st March,2020												6.18

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

* Includes preoperative expenditure pending capitalisation of NIL (₹0.03 crore) (refer note no. 42)

Includes immovable property for 2.79 acres (2.79 acres) of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

Notes to Financial Statements for the year ended March 31, 2020

5. Non-current financial assets

(₹ in crore)

	As at March 31, 2020		As at March 31, 2019	
5 (i). Investments				
A. Quoted				
Equity Shares Carried at Fair Value through OCI				
1885134(1885134) equity shares of ₹ 10 each fully paid up in Dalmia Bharat Ltd. (formerly known as Odisha Cement Ltd.)		92.18		186.60
B. Unquoted				
(i) Investments in Subsidiaries (Carried at Cost)*				
Equity Shares				
450000(450000) Equity shares of ₹ 10 each fully paid up in Himshikhar Investment Limited		4.45		4.45
Optionally Convertible Debentures				
15 cr (NIL) Debentures of face value of ₹10 each, coupon rate - 0%, convertible at the option of Himshikhar Investment Limited into 10 cr Equity shares of ₹10 each at a premium of 50% or can be redeemed at a premium of 5%		150.00		0.00
*Refer Note No. 43(c)				
(ii) Investment in Bonds (Carried at amortised Cost)				
10.40% Vijaya Bank Bonds 2020		0.00		1.98
9.55% Canara Bank (Perp.) Bonds		5.39		5.39
8.10% HUDCO BONDS		0.53		0.00
(iii) Others*				
Shares of Co-operative Socities (Unquoted)				
DMC Employees Co-op Stores Limited		((2,500))		((2,500))
Government or Trust Securities (Unquoted)				
National Saving Certificates		((2,000))		((2,000))
		252.55		**198.43**
Aggregate amount of quoted investments and market value thereof		92.18		186.61
Aggregate amount of unquoted investments		160.37		11.82
Aggregate amount of impairment in value of investments		0.00		0.00
* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.				
5 (ii). Loans				
(Unsecured, considered good unless stated otherwise)				
Security deposits		2.43		2.14
Others		23.76		25.36
(Considered doubtful)				
Others	0.28		0.30	
Less : Allowance for bad and doubtful advances	0.28	0.00	0.30	0.00
		26.19		**27.50**
5 (iii). Others*				
Fixed deposits with banks		0.45		0.15
(with remaining maturity of more than 12 months)				
(Unsecured, considered good)				
Others		0.00		0.36
*Held as margin money with Government department and others		**0.45**		**0.51**

Notes to Financial Statements for the year ended March 31, 2020

6. Income Tax Assets (Net)

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Pre paid Taxes	151.05	106.72
Less: Provision for taxes	(131.89)	(87.76)
	19.16	**18.96**

7. Other non current assets

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless stated otherwise)		
Capital advances	0.81	7.10
Advances other than capital advances	0.75	0.65
Balances with Government departments under protest	1.11	1.10
	2.67	**8.85**

8. Inventories

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Refer Note No. 3(J))(As taken, valued and certified by the management)		
Raw materials	30.03	15.97
Work in progress	12.71	11.23
Finished goods* (Refer Note no.35)	1,258.94	1,035.93
Stores, spare & others	27.53	31.96
	1,329.21	**1,095.09**

* after considering write down of ₹37.27 crore (₹ 11.36 crore) in the value of inventory of sugar to it's net realizable value.

Note: Inventory is hypothecated as first pari passu charge of bankers for working capital.

9. Current financial assets

9 (i). Investments

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Investment in mutual funds (quoted)		
(Carried at Fair Value through profit and loss)		
Debt based schemes	194.33	90.00
Total	**194.33**	**90.00**
Aggregate amount of quoted investments and market value thereof	194.33	90.00
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of impairment in value of investments	0.00	0.00

9 (ii). Trade receivables

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	169.79	203.57
Considered Doubtful	0.45	0.45
Less : Allowance for bad and doubtful debts	(0.45)	(0.45)
	169.79	**203.57**

Notes to Financial Statements for the year ended March 31, 2020

9 (iii). Cash and cash equivalents (₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.27	0.16
Cheques, drafts on hand	0.15	0.00
Balance with banks	65.97	27.45
	66.39	**27.61**

9 (iv). Bank balances other than cash & cash equivalents (₹ in crore)

	As at March 31, 2020	As at March 31, 2019
- Deposits with original maturity of more than 3 months but less than 12 months	0.00	0.00
- Earmarked balances with banks (Unpaid dividend accounts)	0.64	0.54
	0.64	**0.54**

9 (v). Loans (₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Loans to related parties (Refer note no. 43(a) & 44)	0.00	127.28
Others		
Loans to employees	0.76	1.06
	0.76	**128.34**

9 (vi). Others (₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Interest receivable*	2.07	20.29
Buffer subsidy and Interest subvention receivable	28.15	5.70
Unbilled revenue	16.30	21.63
Others	0.16	0.39
	46.68	**48.01**

* Includes interest recoverable amounting ₹1.68 crore (₹19.94 crore) from Himshikhar Investment Limited.

10. Other current assets

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Advances other than capital advances		
Production/Export Subsidy Receivable	49.45	17.57
Deposit and Balances with Government departments and other authorities	3.35	7.64
Other advances	7.00	7.42
	59.80	**32.63**

Notes to Financial Statements for the year ended March 31, 2020

11. Equity Share capital

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of ₹ 2/- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹ 2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) ordinary equity shares of ₹ 2/- each	16.19	16.19
	16.19	**16.19**

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the year	8,09,39,303	16.19	8,09,39,303	16.19
Changes during the year	-	-	-	-
At the end of the year	8,09,39,303	16.19	8,09,39,303	16.19

(b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of ₹2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.

(c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	3,58,75,223	44.32%	3,58,75,223	44.32%
Dalmia Bharat Limited(Formerly known as Odisha Cement Limited)	1,48,29,764	18.32%	1,48,29,764	18.32%
Vanika Commercial and Holdings Private Ltd	86,87,305	10.73%	86,87,305	10.73%

As per records of the company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.- Nil

(e) The Company has declared and paid interim dividend of ₹2.00 per share of face value of ₹2.00 each for the F.Y 2019-20 and final dividend of ₹1.60 per share of face value of ₹2 per share for F.Y 2018-19.

Interim dividend for the F.Y. 2019-20 has been confirmed as the final dividend for the F.Y. 2019-20.

12. Other Equity

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Reserve & Surplus		
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Changes during the year	0.00	0.00
Closing balance	**4.07**	**4.07**
General reserve		
Opening balance as per last financial statements	52.54	52.54
Add:- Amount transferred from surplus balance in statement of profit & loss	0.00	0.00
Closing balance	**52.54**	**52.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,304.77	1,117.39
Profit for the year	198.01	187.38
Less: appropriations		
(i) Transfer to general reserve	0.00	0.00
(ii) Final/Interim dividend on ordinary shares	(29.14)	0.00
(iii) Dividend distribution tax	(5.99)	0.00
Total appropriations	**(35.13)**	**0.00**
Net surplus in the statement of profit and loss	**1,467.65**	**1,304.77**
Total reserves and surplus	**1,524.26**	**1,361.38**
Other Comprehensive Income		
Opening Balance	172.18	258.71
Addition/(reduction) during the year	(104.12)	(86.53)
Closing Balance	**68.06**	**172.18**
Total Other Equity	**1,592.32**	**1,533.56**

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

3 Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

4 General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act , 2013, transfer of any amount to general reserve is at the discretion of the Company.

Notes to Financial Statements for the year ended March 31, 2020

13. Non current financial liabilities

13 (i). Borrowings (₹ in crore)

	As at March 31, 2020		As at March 31, 2019	
Secured				
Term loans:				
i. From banks	370.36		355.94	
Less: Shown in current maturities of long term borrowings	51.61	318.75	36.31	319.63
ii. From other parties (including Government)	138.62		163.94	
Less: Shown in current maturities of long term borrowings	32.98	105.64	22.82	141.12
(Refer note no. 17(iii) for current maturities)		**424.39**		**460.75**

(₹ in crore)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Fixed/ Fluctuating interest rate	Rate of interest
	Non Current Borrowings				
A)	From Bank				
a)	Punjab National Bank				
	Soft Loan for cane payment	13.09	13.07	Fluctuating	Base Rate+1.75%, Presently 9.68%
b)	HDFC Term Loan for capital expenditure	-	99.08	Fluctuating	One year MCLR+0.80%
c)	Axis Bank soft loan for payment of cane dues	194.28	-	Fluctuating	One year MCLR+0.35% Presently 9.15%
d)	Axis Bank for capital expenditure	64.16	184.16	Fluctuating	One year MCLR+0.75%, Presently 9.55%
e)	HDFC Term Loan for Nigohi Distillery	50.00	50.00	Fluctuating	60bps over 1year MCLR,Presently 8.75%
f)	HDFC Term Loan for Jawaharpur Distillery Expansion	10.83	10.83	Fluctuating	60 bps over 1year MCLR,Presently 8.75%
g)	HDFC Term Loan for Jawaharpur Distillery Incineration Boiler	38.00	0.00	Fluctuating	60 bps over 1year MCLR,Presently 9.20%
	Notional reduction in loan balances due to IND AS adjustments	-	(1.20)		
	Total	**370.36**	**355.94**		
B)	From Others				
a)	Sugar Development Fund Loans	26.21	32.91	Fixed	4.75% to 5.75%
b)	Soft loan from UP Government (SEFASU 2018 Scheme)	125.06	150.07	Fixed	5% Simple Interest
	Notional reduction in loan balances due to IND AS adjustments	(12.65)	(19.04)		
	Total	**138.62**	**163.94**		
	G Total	**508.98**	**519.88**		

Nature of securities, Interest & repayment terms.

A) Details of Loans taken from Banks:-

a) PNB soft loan for cane payment is secured by first pari passu charge on the current assets of the company alongwith working capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017.

b) HDFC Term loan , is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

c) Axis Bank soft loan,is secured by first pair passu charge by way of hypothication on all movable fixed asset of kolhapur Plant,repayable in 16 equal quarterly installments starting from after one year Monotorium starting from May'20

d) Axis Bank Term Loan is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting 31st March 2018.

e) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Nigohi Plant payable in 40 equal quarterly installments starting from Dec'20.

f) HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Jawaharpur Plant payable in 40 equal quarterly installments starting from Dec'20.

g) HDFC Bank Term Loan for Jawaharpur distillery Incinertion boiler is secured by first pari passu charge through hypothecation on movable fixed asset of Incinerator Boiler at Jawaharpur Plant payable in 40 equal quarterly installments starting from Aug'21.

B) Details of Loans taken from entities other than banks:-

a) Sugar Development Fund (SDF) loans are secured by guarantees given by banks on behalf of the company and are repayable in unequal structured installments.

b) SEFASU 2018 term loan is secured by first pari passu charge on movable and immovable fixed assets of Ramgarh,Jawaharpur and Nigohi sugar units.

13 (ii). Others (₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Carried at amortised cost:-		
Other liabilities	3.67	3.67
	3.67	**3.67**

14. Non current provisions

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	29.43	22.82
	29.43	**22.82**

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2020 and movement during the year 2019-20. (₹ in crore)

	As at March 31, 2020	Recognised in statement of profit & loss/MAT credit utilized	Recognised in other comprehensive income	As at March 31, 2019
Property, plant & equipment including fair valuation of land	237.37	6.54	-	230.83
Others	10.37	0.76	-	9.61
Expenses allowed on payment basis	(16.43)	(1.19)	(5.21)	(10.03)
MAT Credit Entitlement	(129.61)	3.69	-	(133.30)
Net Deferred tax liability / (asset)	**101.70**	**9.80**	**(5.21)**	**97.11**

B) Major components of deferred tax liabilities as on 31 March 2019 and movement during the year 2018-19. (₹ in crore)

	As at March 31, 2019	Recognised in statement of profit & loss/MAT credit utilized	Recognised in other comprehensive income	As at April 01, 2018
Property, plant & equipment including fair valuation of land	230.83	(2.60)	-	233.43
Others	9.61	3.03	-	6.58
Expenses allowed on payment basis	(10.03)	(1.40)	(0.63)	(8.00)
MAT Credit Entitlement	(133.30)	(26.24)	-	(107.06)
Net Deferred tax liability / (asset)	**97.11**	**(27.21)**	**(0.63)**	**124.95**

Notes to Financial Statements for the year ended March 31, 2020

16. Other non current liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Government Grant		
(Refer note no. 39 for movement during the year)	12.34	16.53
	12.34	**16.53**

17. Current financial liabilities

17 (i). Borrowings

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Secured		
loans from banks		
Working capital/short term loans	530.28	328.30
Commercial Papers	138.88	0.00
Cash credit	0.13	188.70
Unsecured		
Commercial Papers	98.92	0.00
	768.21	**517.00**

(i) Working capital Loan/short term loan and cash credit are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 8.5% to 12%.

(ii) Commercial Papers issued were repayable during next one year and carry interest in the range of 6.75% to 7.25%.

17 (ii). Trade payables

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Trade Payables		
- Micro and small enterprises *	1.52	0.05
- Others	400.45	420.13
	401.97	**420.18**

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.
(refer note no. 34)

17 (iii). Other financial liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings	84.59	59.12
Interest accrued but not due on borrowings	6.59	6.42
Unclaimed dividend *	0.64	0.54
Others:-		
Accrued salaries & benefits	1.30	2.49
Security deposits received	3.26	1.16
Others	43.16	27.73
	139.54	**97.46**

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

18. Other current liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Advances from customers	21.34	1.30
Statutory dues	7.03	9.40
Government grant (refer note no. 39 for movement during the year.)	4.20	4.41
	32.57	**15.11**

19. Provisions (current)

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	5.33	6.71
	5.33	**6.71**

20. Revenue from operations

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Sales of products		
Sugar and allied products	1,568.58	1,573.09
Power	151.95	211.59
Distillery	295.19	214.72
Others	12.73	13.15
	2,028.45	**2,012.55**
Sales of services	2.43	2.49
Other Operating Revenue		
REC Sales	3.68	2.04
Others	0.11	1.43
	2,034.67	**2,018.51**

21. Other income

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend income from non current investment	0.79	0.34
Interest Income from bank deposits and others	7.08	16.54
Profit on sale of current investments	0.77	5.47
Profit on changes in Fair valuation of investments	5.34	6.29
Profit on sale of fixed assets	0.06	0.14
Gain on foreign exchange fluctuation	2.01	5.67
Government Grant (refer note no. 39)	37.85	15.86
Production Subsidy by Central Government (refer note no. 39)	71.56	13.45
Export Subsidy by Central Government (refer note no. 39)	4.55	0.00
Cane Incentive by State Government (refer note no. 39)	0.00	13.17
Miscellaneous receipts	7.05	9.98
	137.06	**86.91**

Notes to Financial Statements for the year ended March 31, 2020

22. Cost of raw materials consumed

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Sugar Cane & Molasses	1,594.48	1,705.21
Raw Magnesite	1.29	1.79
Others	35.69	29.23
	1,631.46	**1,736.24**

23. Changes in inventories of finished goods, work in progress

(₹ in crore)

	Year ended March 31, 2020		Year ended March 31, 2019	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	1,258.94		1,035.93	
- Opening stock	1,035.93		705.24	
		(223.01)		(330.69)
Work-in-process				
- Closing stock	12.71		11.23	
- Opening stock	11.23		13.90	
		(1.48)		2.67
		(224.49)		**(328.02)**

24. Employee benefits expense

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages, bonus and other payments	117.81	105.28
Contribution to provident fund and other funds	11.02	9.91
Workmen and staff welfare expenses	4.93	3.47
	133.76	118.66
Less: Employee cost captalised	0.12	0.00
	133.64	**118.66**

25. Finance Costs

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest		
- On term loans, WCDL & commercial papers	76.37	63.69
- On other borrowing from banks	7.84	3.79
- Others	0.00	0.24
Other borrowing costs	4.49	1.82
	88.70	69.54
Less: Interest cost capitalised	0.32	0.93
	88.38	**68.61**

26. Depreciation and amortization expenses

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	56.85	50.32
Amortization of intangible assets	0.38	1.23
	57.23	**51.55**

Notes to Financial Statements for the year ended March 31, 2020

27. Other Expenses

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	54.21	53.42
Packing Materials	16.21	19.24
Consumption of Stores and Spares Parts	19.16	20.96
Repairs and Maintenance :		
- Plant & Machinery	43.54	35.01
- Buildings	2.30	1.71
- Others	0.60	1.14
Rent	1.74	1.03
Rates and Taxes	4.04	3.20
Insurance	1.29	0.86
Travelling	1.53	1.46
Advertisement and Publicity	0.29	0.13
Management Service Charges	12.59	17.36
Freight and Forwarding Charges (net of recoveries)	29.17	20.83
Selling Expenses	2.90	4.25
Export facilitation charges	4.11	6.18
Commission paid to Other Selling Agents	2.41	2.67
Rebates, Discount and Allowances	0.61	0.18
Director's Sitting Fees	0.17	0.22
Charity and Donation	0.55	0.50
Assets written off / Loss on sale of Fixed Assets	1.31	0.00
Bad Debts written Off	0.11	0.02
CSR Expenses (refer note no. 43 (e))	3.90	2.92
Miscellaneous Expenses	32.13	32.78
	234.87	**226.07**
Less: Expenses Capitalised	1.31	0.14
	233.56	**225.93**

28. Tax expense

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
(i) The major components of income tax expense for the financial year 2019-20 & 2018-19 are as follows:-		
Statement of profit and loss:		
Current income tax	47.83	43.63
Deferred tax on timing differences	6.11	(0.97)
MAT credit entitlement	0.00	(26.24)
Total	**53.94**	**16.42**
Other comprehensive income:		
Re-measurement (gains)/losses on defined benefit plans	5.21	(0.63)
Income tax relating to items recognised in OCI during the year	**5.21**	**(0.63)**
(ii) Reconciliation of deffered tax and accounting profit multiplied by India's domestic tax rate for the year:-		
Accounting profits before tax	251.95	203.80
Applicable tax rate*	34.94%	34.94%
Computed tax expense	**88.04**	**71.22**
Impact of difference in tax rate	0.00	(0.78)
Tax impact on additions of permanent nature	0.29	0.55
Impact of 80IA deduction for tax holiday period	(33.92)	(56.90)
Differential tax on REC income chargeable at lower/nil rates	0.00	(0.71)
Others	(0.47)	3.04
	53.94	**16.42**

*On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

Notes to Financial Statements for the year ended March 31, 2020

29. Other Comprehensive Income

(₹ in crore)

			Year ended March 31, 2020	Year ended March 31, 2019
(A)	(i)	Items that will not be reclassified to profit/(loss)	(95.59)	(88.73)
	(ii)	Income tax relating to items that will not be reclassified to profit/(loss)	0.41	1.18
(B)	(i)	Items that will be reclassified to profit/(loss)		
		Fair value changes on derivatives designated as cash flow hedge	(13.74)	1.57
	(ii)	Income tax relating to items that will be reclassified to profit/(loss)	4.80	(0.55)
			(104.12)	**(86.53)**

30. Earning Per Share

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/(loss) attributable to equity shareholders (₹ in crore)	198.01	187.38
Number of equity shares outstanding during the year (weighted average)	8,09,39,303	8,09,39,303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	24.46	23.15
Diluted	24.46	23.15

31. Contingent Liabilities (not provided for) in respect of:

(₹ in crore)

S. N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Claims against the company not acknowledged as debts*	84.35	84.61
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	3.72	3.55
c)	Guarantee issued by the company's banker on behalf of the company#	70.42	51.55

* Includes demand of ₹ 79.88 crore raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand & the writ is pending for final disposal.

Excludes bank guarantees issued by banks on behalf of the company against financial liabilities recognised in the books of account.

i) The company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

32. Capital and other commitments:

(₹ in crore)

S. N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.21	4.98
b)	Other Commitments	-	-

Notes to Financial Statements for the year ended March 31, 2020

33. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ in crore)

S.N.	Particulars	2019-20	2018-19
	Statutory Auditor		
i	Audit Fee (Including Limited Reviews)	0.16	0.11
ii	For tax audit and other services	0.03	0.04
iii	For reimbursement of expenses	0.04	0.05

34. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(₹ in crore)

S.N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	1.52	0.05
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d)	The amount of interest accrued and remaining unpaid	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	Total	**1.52**	**0.05**

35. Details of Opening and Closing Inventory of Finished Goods:

(₹ in crore)

S.N.	Class of Product	2019-20	2018-19
a)	Opening stock		
	Refractory products	18.17	14.19
	Sugar	981.26	657.18
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.31	0.58
	Industrial Alcohol	9.64	14.03
	Others	26.53	19.24
	Total	**1,035.93**	**705.24**
b)	Closing stock		
	Refractory products	16.71	18.17
	Sugar	1,159.78	981.26
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.38	0.31
	Industrial Alcohol	25.83	9.64
	Others	56.22	26.53
	Total	**1,258.94**	**1,035.93**

36. Disclosure as required by Ind AS 108, Operating Segment

(i) Identification of Segments

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is

Notes to Financial Statements for the year ended March 31, 2020

measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

(ii) Operating segments identified as follows:

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol and ENA.

d) The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments. There is no major reliance on a few customers or suppliers.

(iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income)

(iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

(v) Segment revenue and segment profit (₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Revenue					
Gross Revenue	1,828.40	315.60	295.71	15.17	2,454.88
	(1,743.70)	(409.22)	(216.23)	(17.02)	(2,386.17)
Inter Segment sale	259.72	159.97	0.52	-	420.21
	(170.57)	(195.58)	(1.51)	-	(367.66)
Total Revenue from operation*	1,568.68	155.63	295.19	15.17	2,034.67
	(1,573.13)	(213.64)	(214.72)	(17.02)	(2,018.51)
Other Income					137.06
					(86.91)
Total Revenue					2,171.73
					(2,105.42)
Profits before interest and tax	134.24	96.28	111.48	(1.67)	340.33
	((1.43))	(168.28)	(117.33)	((11.77))	(272.41)
Finance Cost					88.38
					(68.61)
Less Exceptional items					-
					-
Profit Before Tax					251.95
					(203.80)
Tax Expense					53.94
					(16.42)
Profit After Tax					198.01
					(187.38)

* Includes other operating Income.

Revenue in respect of captive power produced from cogeneration plant has been arrived at based on the rates at which the same is being supplied to State electricity board.

(vi) Segment Assets & Liabilities

(₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Assets					
As at 31st March 2020	**2,028.90**	**428.47**	**193.43**	**410.82**	**3,061.62**
As at 31st March 2019	(1,748.18)	(428.77)	(183.24)	(412.24)	(2,772.43)
Unallocable Asset					
As at 31st March 2020					**466.04**
As at 31st March 2019					(434.66)
Total Asset					
As at 31st March 2020					**3,527.66**
As at 31st March 2019					(3,207.09)
Segment Liability					
As at 31st March 2020	**1,629.87**	**6.15**	**114.54**	**15.39**	**1,765.95**
As at 31st March 2019	(1,185.80)	(12.85)	(83.60)	(14.98)	(1,297.23)
Unallocable Liability					
As at 31st March 2020					**153.20**
As at 31st March 2019					(360.11)
Total Liability					
As at 31st March 2020					**1,919.15**
As at 31st March 2019					(1,657.34)

(vii) Other Information

(₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Depreciation / Amortisation	**26.88**	**23.68**	**5.54**	**1.13**	**57.23**
	(26.96)	(19.27)	(4.18)	(1.14)	(51.55)
Capital expenditure	**22.76**	**73.31**	**2.11**	**0.58**	**98.76**
	(21.69)	(31.42)	(48.63)	(1.58)	(103.32)

(viii Geographical Location

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operation		
Domestic	1,911.40	1,867.17
Overseas	123.27	151.34
Total	**2,034.67**	**2,018.51**

Note: There are no non-current assets located outside India.

(ix) Significant clients

There is no single customer who has contributed 10% or more to the company's revenue for both the years ended March 31, 2020 and March 31, 2019.

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 and 3.

b) All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.

c) All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

Notes to Financial Statements for the year ended March 31, 2020

37. Employee Benefits - Gratuity & Post employment benefits

Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under:

A. Statement of profit and loss

Net employee benefit expense (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Current Service cost	2.83	2.42
Net Interest cost	1.31	0.93
Expenses Recognized in the statement of Profit & Loss	4.14	3.35

Amounts to be recognized in Other Comprehensive Income (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Actuarial (gain)/loss on assets	0.00	0.43
Actuarial (gain)/loss on liabilities	1.16	2.93
Net (gain)/loss to be recognized in Other Comprehensive Income	1.16	3.36

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Defined benefit obligation	43.04	36.16
Fair value of plan assets	18.60	18.07
Net Asset/(Liability) recognized in the Balance Sheet	(24.44)	(18.09)

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Opening defined benefit obligation	36.16	29.43
Interest cost	2.63	2.32
Current service cost	2.83	2.43
Benefit paid	(1.53)	(1.43)
Actuarial (gains)/losses on obligation	1.17	2.93
Acquisition Adjustment	1.78	0.49
Closing defined benefit obligation	43.04	36.16

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in crore)

Particulars	2019-20	2018-19
Opening fair value of plan assets	18.07	17.66
Actual return on Plan Assets	1.31	0.96
Contribution during the year	0.75	0.89
Benefit paid	(1.53)	(1.43)
Closing fair value of plan assets	18.60	18.07

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: (₹ in crore)

Particulars	2019-20	2018-19
	%	%
Discount rate (%)	6.40%	7.25%
Expected salary increase (%)	7.00%	7.00%
Demographic Assumptions	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Retirement Age (year)	58 Years	58 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans: (₹ in crore)

Particulars	2019-20	2018-19
Pension Fund/Superannuation funds/ESI/EPF	6.86	6.56

(vi) Sensitivity analysis of the defined benefit obligation: (₹ in crore)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Impact on defined benefit obligation	45.98	38.70	40.43	33.92
Impact on defined benefit obligation (change in %)	6.80%	7.00%	-6.10%	-6.20%

(₹ in crore)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Impact on defined benefit obligation	40.42	33.89	45.94	38.68
Impact on defined benefit obligation (change in %)	-6.10%	-6.30%	6.70%	7.00%

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

38. Related party transaction

a) List of related parties (as certified by the management)

i. Subsidiaries of the Company

Himshikhar Investment Limited

ii. Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman & Managing Director, Shri Gautam Dalmia - Managing Director, Ms. Sneha Sharma - Company Secretary (Till 31/10/2019), Ms. Aashima Khanna - Company Secretary w.e.f 30/01/2020), Ms. Isha Kalra - Company Secretary (Till 11/10/2018) & Shri Anil Kataria- Chief Financial Officer

Whole Time director - Shri B B Mehta (w.e.f 01/04/2019).

Independent directors - Shri J. S. Baijal (Till 29/08/2019) , Shri M. Raghupathy (Till 29/08/2019) , Shri P. Kannan and Ms. Amita Misra (w.e.f 29/08/2019)

Non-Executive directors - Shri T. Venkatesan, Ms. Himmi Gupta (Till 30/07/2019) and Shri B B Mehta (Till 31/03/2019)

Shri Yadu Hari Dalmia - Relative of Key Management Personnel

Notes to Financial Statements for the year ended March 31, 2020

iii. **Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)**

Dalmia Bharat Limited (Odisha Cement limited), Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited,Adhunik Cement Limited, Calcom Cement India Limited, OCL India Limited, Dalmia Cement East Ltd , Dalmia Bharat Foundation , Dalmia Institute of Scientific & Industrial Research,Antordaya Comm.& Holdings,GSB Refractories India Pvt. Ltd.,Grandeur Travels & Tours Pvt. Ltd.,Dalmia Vidya Mandir,Dalmia DSP Ltd. and Alsthom Industries Limited.

Note:- Adhunik Cement Limited, OCL India Limited and Dalmia Cement East Ltd have been merged with Dalmia Cement (Bharat) Limited wef 16/5/18, 26/10/18 and 26/10/18 respectively.

b) **The following transactions were carried out with related parties in the ordinary course of business:**

(₹ in crore)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
A. Sale of goods and services				
a) Dalmia Cement (Bharat) Limited			9.00	9.00
			(6.33)	(6.33)
b) OCL India Limited			-	-
			(0.35)	(0.35)
c) Dalmia Bharat Limited (Odisha cement Limited)			1.33	1.33
			(2.21)	(2.21)
d) Adhunik Cement Limited			-	-
			(0.37)	(0.37)
e) Dalmia Refractories Limited			1.22	1.22
			(1.23)	(1.23)
f) Calcom Cement India Limited			0.46	0.46
			(0.29)	(0.29)
g) Dalmia Cement East Limited			-	-
			(0.45)	(0.45)
h) Dalmia Institute of Scientific & Industrial Research			0.01	0.01
			(0.01)	(0.01)
i) Dalmia Bharat Foundation			0.05	0.05
			-	-
j) GSB Refractories Indian Pvt Ltd			0.00	0.00
			-	-
k) Dalmia Vidya Mandir			0.01	0.01
			-	-
l) Dalmia DSP Ltd.			0.44	0.44
			-	-
m) Alsthom Industries Limited.			0.02	0.02
			-	-
n) Antordaya Comm. & Holdings			0.03	0.03
			-	-
o) Sh. Yadu Hari Dalmia and Family		0.51		0.51
		(0.77)		(0.77)
p) Sh. Jai Hari Dalmia and Family		0.23		0.23
		(0.09)		(0.09)
B. Reimbursement of expenses – receivable				
a) Dalmia Bharat Limited(Odisha cement Limited)			0.01	0.01
			-	-

(₹ in crore)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
C. Reimbursement of expenses – payable				
a) Dalmia Bharat Limited(Odisha cement Limited)			-	-
			(0.08)	(0.08)
b) Dalmia Institute of Scientific & Industrial Research			**0.06**	0.06
			(0.12)	(0.12)
c) Dalmia Bharat Foundation			**2.30**	2.30
(For CSR Expenditure)			(2.87)	(2.87)
D. Purchase of goods and services				-
a) Dalmia Bharat Limited(Odisha cement Limited)			**11.18**	11.18
			(16.76)	(16.76)
b) Dalmia Cement (Bharat) Limited			**2.08**	2.08
			(1.11)	(1.11)
c) Dalmia Refractories Limited			**0.05**	0.05
			(0.06)	(0.06)
d) Adhunik Cement Limited			-	-
			-	-
E. Loans and Advances given				
a) Himshikhar Investment Limited	**0.50**			0.50
	(1.00)			(1.00)
F. Interest income on Loans given				
a) Himshikhar Investment Limited	**4.96**			4.96
	(12.67)			(12.67)
G. Salary and Perquisites				
a) Shri J.H. Dalmia		**1.42**		1.42
		(1.40)		(1.40)
b) Shri Gautam Dalmia		**5.84**		5.84
		(5.84)		(5.84)
c) Shri B B Mehta		**2.60**		2.60
		-		-
d) Shri Anil Kataria		**0.89**		0.89
		(0.82)		(0.82)
e) Ms. Isha Kalra*		**-**		-
		(0.06)		(0.06)
f) Ms. Sneha Sharma *		**0.04**		0.04
		(0.02)		(0.02)
g) Ms. Aashima Khanna *		**0.01**		0.01
		-		-
H. Dividend Received				
a) Dalmia Bharat Limited(Odisha cement Limited)			**0.75**	0.75
			(0.32)	(0.32)
I. Dividend paid				
a) Dalmia Bharat Limited(Odisha cement Limited)			**5.34**	5.34
			-	-

Notes to Financial Statements for the year ended March 31, 2020

(₹ in crore)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
J. Sitting fees to directors				
a) Shri J.S. Baijal		**0.03**		0.03
		(0.06)		(0.06)
b) Shri M. Raghupathy		**0.02**		0.02
		(0.05)		(0.05)
c) Shri P. Kannan		**0.04**		0.04
		(0.05)		(0.05)
d) Shri T. Venkatesan		**0.03**		0.03
		(0.02)		(0.02)
e) Shri B.B. Mehta		**-**		-
		(0.03)		(0.03)
f) Ms. Himmi Gupta		**0.01**		0.01
		(0.02)		(0.02)
g) Ms. Amita Misra		**0.03**		0.03
		-		-
K. Commission to independent directors				-
a) Shri J.S. Baijal		**0.04**		0.04
		(0.20)		(0.20)
b) Shri M. Raghupathy		**0.04**		0.04
		(0.20)		(0.20)
c) Shri P. Kannan		**0.10**		0.10
		(0.13)		(0.13)
d) Ms. Amita Misra		**0.06**		0.06
		-		-
L. Acquisition liability on account of gratuity and leave encashment actuarial valuation				
a) Dalmia Bharat Limited(Odisha cement Limited)			**1.89**	1.89
			(0.65)	(0.65)
M. Sale of equity shares of subsidiary companies				
a) Shri J H Dalmia		**-**		-
		(0.10)		(0.10)
N. Other expenditure				
a) Shri Yadu Hari Dalmia		**0.04**		0.04
		(0.04)		(0.04)
O. Payments made on behalf of subsidiary companies				
a) Himshikhar Investment Limited	**0.50**			0.50
	(1.27)	-		(1.27)
P. Investment in Optionally Convertible Debentures				
a) Himshikhar Investment Limited	**150.00**			150.00
	-	-		-

* Amount is for part of the year

Notes:-

i) Above transactions are exclusive of recoverable taxes, wherever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.

Notes to Financial Statements for the year ended March 31, 2020

c) Balances Outstanding at Year End:

(₹ in crore)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
A. Loan Receivable				
a) Himshikhar Investment Limited	-			-
	(127.28)			(127.28)
B. Optionally Convertible Debenture				
a) Himshikhar Investment Limited	**150.00**			150.00
	-			-
C. Amounts payable				
a) Dalmia Bharat Limited(Odisha cement Limited)			**1.03**	1.03
			(3.24)	(3.24)
b) Dalmia Cement (Bharat) Limited			**0.21**	0.21
			(0.30)	(0.30)
c) Dalmia Institute of Scientific & Industrial Research			**0.01**	0.01
			(0.03)	(0.03)
d) Sh. Yadu Hari Dalmia and Family		**0.08**		0.08
		-		-
e) Sh. Jai Hari Dalmia and Family		**0.00**		0.00
		-		-
D. Amounts Receivable				
a) Himshikhar Investment Limited	**1.68**			1.68
(Interest receivable)	(19.94)			(19.94)
b) Dalmia Bharat Limited(Odisha cement Limited)			**0.09**	0.09
			(0.02)	(0.02)
c) Dalmia Cement (Bharat) Limited			**0.44**	0.44
			(0.13)	(0.13)
d) Dalmia Refractories Limited			**0.17**	0.17
			(0.06)	(0.06)
e) Calcom Cement India Limited			**0.06**	0.06
			(0.03)	(0.03)
f) Alsthom Industries Limited			**0.00**	0.00
			-	-
g) Dalmia Bharat Foundation			**0.01**	0.01
			-	-
h) Dalmia DSP Ltd.			**0.04**	0.04
			-	-

Notes to Financial Statements for the year ended March 31, 2020

39. Government Grant

a) **Government grants recognised in the financial statements**

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, buffer stock subsidy and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

(₹ in crore)

Particulars	Treatment in accounts	2019-20	2018-19
Revenue related government grant			
Production subsidy	Shown as a part of other Income	71.56	13.45
Production subsidy	Shown as reduction from Cane price	10.06	4.92
Export subsidy (MAEQ Quota SS 19-20)	Shown as a part of other Income	4.55	0.00
UP State cane incentive	Shown as a part of other Income	0.00	13.17
UP State cane incentive	Shown as reduction from Cane price	0.00	5.16
Buffer stock subsidy - Interest on loan	Shown under Government Grant under Other Income	13.17	7.00
Buffer stock subsidy - Reimbursement of storage expenses		2.21	1.28
Interest subvention on SEFASU loan	Shown under Government Grant under Other Income	11.44	0.00
Interest subvention on Ethanol capacity loan	Shown under Government Grant under Other Income	3.84	0.00
Subsidy Received from MEDA	Shown under Government Grant under Other Income	2.78	0.00
Deferred government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	4.41	7.58

b) **Movement of deferred government grants is provided here below:** (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	20.94	11.72
Add: Increase during the year	-	16.80
Less: Released to the Statement of Profit & Loss	4.41	7.58
Closing balance	16.53	20.94
Current	4.20	4.41
Non-current	12.33	16.53

40. Leases

Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

Payments recognised as expense (₹ in crore)

Particulars	2019-20	2018-19
Minimum lease payment	1.74	1.03

41. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.

Notes to Financial Statements for the year ended March 31, 2020

42. Pre operative expenditure included in capital work in progress

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ in crore)

Particulars	2019-20	2018-19
Carried forward as part of Capital Work in Progress (A)	0.03	0.06
Expenditure incurred during the year		
Finance Cost	0.32	0.93
Consultancy Charges	0.78	0.02
Miscellaneous Expenses	0.66	0.12
Total Expenditure incurred during the year (B)	1.76	1.07
Total Pre-operative Expenditure (A + B)	1.79	1.13
Less : Capitalised as Property, plant and equipment	1.79	1.10
Carried forward as part of Capital Work in Progress	-	0.03

43 Disclosure Required by Companies Act 2013

(a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) : (₹ in crore)

S.N.	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Converted into OCD during the year*	Closing Balance	Purpose
1	Himshikhar Investment Limited	127.28	0.50	-	127.78	-	Operational

*During the year ,the company has converted the loan recoverable amounting ₹127.78 crore alongwith interest recoverable ₹22.22 crore from its 100% subsidiary company,Himshikhar Investment Ltd. into optionally convertible debentures. The company has taken 15 crore optionally convertible debentures from it's subsidiary company, at a face value of ₹10 each on 20th Aug 2019 for a tenure of 10 years. These debentures bear a coupon rate of Zero percent and are redeemable and convertible at the option of the subsidiary company. These can be converted into ten crore equity shares of ₹10 each at a premium of 50% and can be redeemed at a premium of 5%.

(b) Particulars of Guarantee given: NIL

(c) Particulars of Investments made: (₹ in crore)

S.N.	Name of the Investee	Opening Balance	Investment made	Investment sold	Closing Balance	Purpose
1	Dalmia Bharat Limited*	9.90	-	-	9.90	Long term Investment
2	Himshikhar Investment Limited	4.45	150.00	-	154.45	Long term Investment

* excluding fair valuation impact.

(d) Particulars of Security Deposit : NIL

(e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below:

(i) Detail of CSR Expenditure (₹ in crore)

Particulars	2019-20	2018-19
a) Gross amount required to be spent by the company during the year	3.90	2.87
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.90	2.92
Total	**3.90**	**2.92**

Notes to Financial Statements for the year ended March 31, 2020

(ii) Various heads under which CSR Expenditure is incurred (₹ in crore)

Description	Relevant Clause of SCH VII of Companies Act 2013	2019-20	2018-19
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.65	0.92
Skill Training & Livelihood	Clause No. II & III	0.96	1.31
Soil, Water & Energy Conservation	Clause No. IV	0.55	0.39
Programme Execution		0.14	0.25
		2.30	2.87
Expenditure done directly by the company			
Social Development	Clause No. I & X	0.12	0.05
Contribution of PM Cares Fund	Clause No. viii	1.00	-
Soil, Water & Energy Conservation	Clause No. IV	0.43	-
Programme Execution		0.05	-
Total Expenditure by the Company		**3.90**	**2.92**

44. Disclosure required by SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015

Detail of loans & advances in the nature of Loans given to Subsidiaries in which Directors' are interested and investment by the loanee in the share of the Company as required by clause 53(F) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

(₹ in crore)

S.N.	Particulars	As at the balance sheet date	Maximum Balance during the year
	Subsidiary Company		
I.	Himshikhar Investment Limited	-	-
		(127.28)	(127.28)

45. Financial Risk Management

Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

A Market Risk:-

The Company operates internationally and is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas. The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures.

The details in respect of outstanding foreign currency forward contracts are as follows :

Particulars	Amount (USD in crore)	(₹ In crore)	Amount (USD in crore)	(₹ In crore)
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Forward Contracts	3.79	276.64	0.59	42.63

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

Particulars	Amount (USD in crore)	(₹ In crore)	Amount (USD in crore)	(₹ In crore)
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Not Later than one months	0.31	22.63	0.14	9.86
Later than one month and not later than three months	2.84	207.22	0.18	13.11
Later than three months and not later than One year	0.64	46.79	0.27	19.66

During the year ended March 31, 2020, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in other comprehensive income - cash flow hedge as at March 31, 2020 are expected to occur and reclassified to statement of profit and loss within 4 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Other comprehensive income - cash flow hedge for the year ended:-

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Gain / (Loss)		
Balance at the beginning of the year	1.02	-
Gain / (Loss) reversed in other comprehensive income during the period	(1.57)	-
Tax impact on above	0.55	-
Gain / (Loss) recognized in other comprehensive income during the period	(12.17)	1.57
Tax impact on above	4.25	(0.55)
Balance at the end of the year	(7.92)	1.02

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

B Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of institutional & non institutional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing. (₹ in crore)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2020	21.77	148.02	169.79
As at March 31, 2019	34.70	168.87	203.57

Notes to Financial Statements for the year ended March 31, 2020

C **Liquidity risk:**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total current assets	1,867.68	1,625.79
Total current liabilities	1,347.62	1,056.46
Current ratio	1.39	1.54

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities: (₹ in crore)

S.N.	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at 31st March, 2020				
(i)	Borrowings*	768.21	308.45	115.94	1,192.60
(ii)	Other Financial Liability #	143.21			143.21
(iii)	Trade and other payable	401.97			401.97
II	As at 31st March, 2019				
(i)	Borrowings*	517.00	292.02	168.73	977.75
(ii)	Other Financial Liability #	101.12			101.12
(iii)	Trade and other payable	420.18			420.18

* Includes short term borrowings & Long term borrowings payable after 1 year.

includes current maturities of long term debts.

D **Interest rate risk:**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:- (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total long term borrowing on fluctuation rates	370.36	357.14
Increase in profit before tax with each 1% reduction in interest rates	3.70	3.57
Decrease in profit before tax with each 1% increase in interest rates	(3.70)	(3.57)

46. Capital Management

For the purpose of capital management, capital includes net debt and total equity of the company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the company.

One of the major business of the company is the sugar business, which is a seasonal industry,where the entire production is made in about five to six months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavor of the company to prune down debts to acceptable levels based on its financial position.

Notes to Financial Statements for the year ended March 31, 2020

The company may resorts to further issue of capital when the funds are required to make the company stronger financially or to invest in projects meeting the ROI expectations of the Company.

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the company as at the end of reporting period were as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current borrowings (note no.13 (i))	424.39	460.75
Current borrowings (note no.17 (i))	768.21	517.00
Current maturities of long-term borrowings (note no.17 (iii))	84.59	59.12
Total debt	**1,277.19**	**1,036.87**
Less: Cash and cash equivalents (note no. 9 (i),(iii)&(iv))	(261.37)	(118.16)
Net debt	**1,015.82**	**918.71**
Total equity (note no.11 & 12)	**1,608.51**	**1,549.75**
Net debt to equity ratio	0.63	0.59
Long term debt equity ratio	0.32	0.34

In addition to the above gearing ratio, the company also looks at operating profit to total debt ratio (EBIDTA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financials convenants. With a view to arrive at the desired capital structure based on the financial condition of the company, the company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the company at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2020 and 31 March 2019.

The company is not subject to any externally imposed capital requirements.

47. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ in crore)

Sl. No.	Particulars	Fair value hierachy	As at March 31, 2020		As at March 31, 2019	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**					
(i)	In Debt based mutual funds	Level 1	194.33	194.33	90.00	90.00
2	**Financial assets designated at fair value through other comprehensive income**					
(i)	Investment In Listed Equity shares	Level 1	92.18	92.18	186.61	186.61
3	**Financial assets designated at amortised cost**					
(i)	Investment in Bonds	Carried at amortised cost.	5.91	5.91	7.37	7.37
(ii)	Other Bank Balances	Level 2	0.64	0.64	0.54	0.54
(iii)	Cash & Cash Equivalents	Level 2	66.39	66.39	27.61	27.61
(iv)	Trade receivables	Carried at amortised cost.	169.79	169.79	203.57	203.57
(v)	Loans and other receivable (Non- Current)		26.65	26.65	28.01	28.01
(vi)	Loans and other receivable (Current)		47.44	47.44	176.36	176.36
4	**Investment in subsidiary companies**		154.45	154.45	4.45	4.45
5	**Assets measured at cost less impairment where recoverable amount is fair value less cost of disposal Ninaidevi Unit(Refer Note no.47)**	Level 2	-	-	18.86	18.86

Notes to Financial Statements for the year ended March 31, 2020

(₹ in crore)

Sl. No.	Particulars	Fair value hierachy	As at March 31, 2020		As at March 31, 2019	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial liability designated at amortised cost					
	Borrowings - Non Current	Carried at amortised cost.	424.39	424.39	460.75	460.75
	Other financial liability - Non Current	Carried at amortised cost.	3.67	3.67	3.67	3.67
	Borrowings - Current	Carried at amortised cost.	768.21	768.21	517.00	517.00
	Other financial liability - Current	Carried at amortised cost.	139.54	139.54	97.46	97.46
	Trade payables	Carried at amortised cost.	401.97	401.97	420.18	420.18
	Total		1,737.78	1,737.78	1,499.06	1,499.06

A - Company has fair valued its debt based mutual fund investment through profit & loss.

B - Company has opted to fair value its quoted investments in equity share through OCI.

C - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

48 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes),

(ii) Discount Rate,

(iii) Growth Rates and

(iv) Capital Expenditure

49 The company has adopted IND AS 116 "Leases" with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not have any impact on the profits for this Year.

50 The COVID-19 outbreak & resultant national lock down imposed by the Government from 25th March, 2020 has caused Pan-India disruption of businesses. Government took adequate steps to ensure uninterrupted crushing operations of sugar mills in Uttar Pradesh as sugar is classified as an essential product.

It is estimated that the lock-down could impact the overall domestic sugar demand & consumption by more than a million tons leading to pressure on the selling price of sugar in future. However the already initiated measures of the Government such as fixing of MSP for sugar, regulating domestic sale by way of monthly release mechanism and export of sugar under MAEQ 2019-20, to support the industry.

The Company has considered the uncertainties relating to COVID-19 pandemic in assessing the recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventories and other assets as at the balance sheet date. For this purpose, Company considered internal and external sources of information up to the date of approval of these financial results. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of its assets mentioned earlier. The financial statements have been prepared accordingly. As the situation continues to evolve, the Company will closely monitor any material changes in the future economic conditions.

51 The Central Government has announced incentives to the sugar industry for the sugar season 2019-20 whereby sugar mills shall be entitled to assistance towards marketing and transportation costs related to export of sugar up to the Maximum Admissible Export Quantity (MAEQ) determined by the Central Government. Such incentives shall be made available to the sugar mills upon fulfilment of prescribed conditions which mainly includes export of at least 50% of its MAEQ of sugar. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and review of availability position of sugar.

Upon assessment of the conditions prescribed, the Company has recognized such subsidy in respect of quantities of sugar for which substantive condition of the above said scheme has been fulfilled (i.e. export of sugar has been completed till the year end along with the completion of export of at least 50% of MAEQ of sugar allocated to a specific mill) and has not recognised subsidy in respect of quantities of sugar for which export is under process as at the year end, on consideration of prudence. Accordingly during the year, the company has accounted for subsidy for 4356 MT amounting to ₹ 4.55 crore, against the total exports of 34040 MT for the year.

52 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

53 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	**Aashima Khanna**	**Anil Kataria**	**B B Mehta**	**Gautam Dalmia**
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : June 19, 2020

Independent Auditors' Report

To
The Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED** (hereinafter referred to as the 'Holding Company") and its subsidiary (Himshikhar Investment Limited) (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	Recognition of Government subsidies/ Impact of government policies/ notifications on recognition of subsidy accruals/claims. During the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognised subsidy claims amounting to ₹ 4.55 crore. We considered this as key audit matter because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty in relation to the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims. For details: - Refer Note No. 52 to the Consolidated Financial Statements.	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims. Company has formulated the policy for recognition of subsidy in the books of accounts and based on the same the company has accounted the income during the year. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/ claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims. The company has recognized the subsidy to the extent the company has complied with relevant notifications. Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.

Sr. No.	Key Audit Matters	Auditor's Response
2.	**Determination of net realizable value of inventory of sugar as at the year ended March 31, 2020** As on March 31, 2020, the Company has inventory of sugar with the carrying value ₹ 1,159.78 crore. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value. For details: - Refer Note No 8 & 36 to the Consolidated Financial Statements.	**Principal Audit Procedures** We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the records, information and explanation provided, we have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof .

The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for the overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiary company which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/ information of the entities or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements. For the other entity included in the consolidated financial statement, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters, communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) under (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matter

We did not audit the financial statements/ financials information of one subsidiary, namely Himshikhar Investment Limited whose financial statements reflect total assets of ₹ 66.59 crore as at March 31, 2020, total revenues of ₹0.52 crore, total comprehensive profit/(loss) (Comprising of profit/(loss) and other comprehensive profit/(loss)) of ₹ (71.70) crore and net cash outflows amounting to ₹ 0.34 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements of subsidiary have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books and the report of other auditor;

c. The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, thereof;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary Company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its subsidiary company internal financial control over financial reporting of those company, for reasons stated therein; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us and the report of the other auditor the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act, no remuneration paid by subsidiary company to its directors, hence not reported; and

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated financial statement disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its consolidated financial statements – Refer Note 32 to the Consolidated financial statements;

   ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company incorporated in India during the year ended March 31, 2020.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN:- 20095541AAAADJ2029

Place: New Delhi
Date: June 19, 2020

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited ('the Holding Company') on its consolidated financial statements dated June 19, 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

In conjunction with our audit of the consolidated financial statement of **Dalmia Bharat Sugar and Industries Limited** as of and for the year ended March 31, 2020. We have audited the Internal Financial Controls over Financial Reporting of **Dalmia Bharat Sugar and Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") all incorporated in India, for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company which are incorporated in India are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (" The ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by The Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the respective Holding and subsidiary Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding company including its subsidiary incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, one subsidiary company which are incorporated in India, is based on the corresponding reports of the auditors of such company

Our audit report is not modified in respect of above matters.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN:- 20095541AAAADJ2029

Place: New Delhi
Date: June 19, 2020

Consolidated balance sheet as at March 31, 2020

(₹ in crore)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	1,352.43	1,315.61
b) Capital work - in - progress	4	6.18	10.92
c) Intangible assets	4	0.35	0.52
d) Financial assets	5		
i) Investments	(i)	100.32	197.34
ii) Loans	(ii)	26.19	27.51
iii) Others	(iii)	0.45	0.51
e) Income tax assets (net)	6	19.16	19.06
f) Other non-current assets	7	2.67	8.85
Total Non-current assets		**1,507.75**	**1,580.32**
B) Current assets			
a) Inventories	8	1,329.19	1,095.09
b) Financial Assets	9		
i) Investments	(i)	258.51	219.91
ii) Trade receivables	(ii)	169.79	203.57
iii) Cash and cash equivalents	(iii)	66.47	28.03
iv) Bank Balances other than (iii) above	(iv)	0.64	0.54
v) Loans	(v)	0.76	1.06
vi) Others	(vi)	45.00	28.07
c) Other current assets	10	59.91	32.63
d) Asset held for sale		0.08	0.00
Total Current assets		**1,930.35**	**1,608.90**
Total Assets		**3,438.10**	**3,189.22**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	16.19	16.19
b) Other equity	12	1,502.56	1,515.51
Total Equity		**1,518.75**	**1,531.70**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	424.39	460.75
ii) Others	(ii)	3.67	3.67
b) Provisions	14	29.43	22.81
c) Deferred tax liabilities (net)	15	101.70	96.78
d) Other non current liabilities	16	12.34	16.53
Total Non- current liabilities		**571.53**	**600.54**
Current liabilities			
a) Financial liabilities	17		
i) Borrowings	(i)	768.22	517.00
ii) Trade payables	(ii)		
Due to MSME		1.52	0.05
Others		400.44	420.12
iii) Other	(iii)	139.53	97.44
b) Other current liabilities	18	32.56	15.66
c) Provisions	19	5.55	6.71
Total Current liabilities		**1,347.82**	**1,056.98**
Total equity & liabilities		**3,438.10**	**3,189.22**
Corporate Information	1		
Basis of preparation of financial statement	2		
Significant accounting policies	3		

The accompanying note no. 1 to 54 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Aashima Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : June 19, 2020

Consolidated statement of profit and loss for the year ended March 31, 2020

(₹ in crore)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Revenue			
Revenue from operations	20	2,034.68	2,018.51
Other income	21	132.64	74.68
Total Income (I)		**2,167.32**	**2,093.19**
II. Expenses			
Cost of raw materials consumed	22	1,631.47	1,736.24
Change in inventories of finished goods and work in progress	23	(224.49)	(328.02)
Employee benefits expense	24	133.64	118.66
Finance costs	25	88.38	68.61
Depreciation and amortization expense	4 & 26	57.23	51.55
Impairment of Property, plant and equipment	4 & 48	0.00	28.65
Other expenses	27	233.62	225.93
Total Expenses (II)		**1,919.85**	**1,901.62**
Profit/(loss) before exceptional items and tax		**247.47**	**191.57**
Exceptional items		-	-
Profit/(loss) before tax		**247.47**	**191.57**
Tax expense:	28		
Current tax		47.83	43.83
Deferred tax		6.45	(27.41)
Total of tax expense		**54.28**	**16.42**
Profit/(loss) for the year from continuing operations		**193.19**	**175.15**
Other comprehensive income	29		
a. i) Items that will not be reclassified to profit/(loss)		(162.48)	(150.33)
ii) Income tax relating to items that will not be reclassified to profit/(loss)		0.41	1.18
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		(13.74)	1.57
ii) Income tax relating to items that will be reclassified to profit/(loss)		4.80	(0.55)
Total comprehensive income for the year (net of taxes)		**22.18**	**27.02**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		23.87	21.64
Diluted (in ₹)		23.87	21.64
[Face value of share ₹ 2 each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

The accompanying note no. 1 to 54 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	**Aashima Khanna**	**Anil Kataria**	**B B Mehta**	**Gautam Dalmia**
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : June 19, 2020

Consolidated statement of cash flows for the year ended March 31, 2020

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities		
Net Profit before tax	**247.47**	**191.57**
Adjustments for Non-cash and Non -operating items:-		
Add:-		
Depreciation / Amortization	57.23	80.20
Provision for doubtful debts/ advances	0.00	0.00
Bad Debts/ Advances written off	0.11	0.02
Finance Cost	88.38	68.61
Less:-		
Dividend Income	(0.79)	(0.56)
Interest Income	(7.08)	(3.87)
(Profit)/Loss on sale of Investments	(0.77)	(5.69)
Changes in Fair Value of Investments	(5.34)	(6.29)
(Profit)/Loss on sale of property, plant & equipment and Assets written off	1.25	(0.14)
Grant amortized	(37.85)	(15.86)
Operating Profit before working Capital Changes	**342.61**	**307.99**
Adjustments for working Capital changes :		
Inventories	(234.12)	(345.33)
Trade and Other Payables	1.07	2.83
Trade and Other Receivables	7.44	(142.21)
Cash Generated from Operations	**117.00**	**(176.72)**
Direct Taxes (Paid)/Refund	(44.56)	(43.72)
Net Cash generated from Operating activities	**72.44**	**(220.44)**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(90.37)	(106.97)
(Purchase)/Sale of Investments (net)	(96.75)	73.38
Interest Received	7.08	3.87
Dividend Received from Non Current Investments	0.79	0.56
Net Cash used in Investing Activities	**(179.25)**	**(29.16)**
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short term Borrowings (net)	251.21	171.82
Proceeds/(Repayment) of Long term Borrowings (net)	(18.49)	99.66
Finance Cost	(52.34)	(52.83)
Dividend Paid	(29.14)	0.00
Corporate Dividend tax paid	(5.99)	0.00
Net cash used in financing activities	**145.25**	**218.65**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**38.44**	**(30.95)**
Cash and cash equivalents at the beginning of the year	28.03	58.98
Cash and cash equivalents at the end of the year	66.47	28.03

Consolidated statement of cash flows for the year ended March 31, 2020

(₹ in crore)

Components of Cash & Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Cash on hand	0.26	0.16
Cheques, drafts on hand	0.15	0.00
Balances with banks	66.06	27.87
Net Cash & Cash Equivalents	**66.47**	**28.03**

Note:

1) Cash & cash equivalents components are as per Note 9 (iii).
2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".
3) last year numbers are regrouped and reclassified, wherever considered necessary.

	Notes
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 54 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

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W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : June 19, 2020

Consolidated statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

(₹ in crore)

	As at March 31, 2020	Changes during the year	As at March 31, 2019	Changes during the year	As at April 01, 2018
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ in crore)

	Reserves and Surplus			Items of other comprehensive income			
	Capital reserve	Retained earnings	General Reserve	Equity instruments through other comprehensive income	Cash flow hedge	Acturial Gain & Losses on Defined Benefits Plan	Total
Balances as at April 01, 2018	4.07	1,110.06	52.54	325.06	0.00	(3.36)	1,488.37
<u>Movement during FY 18-19</u>							
Dividends including Dividend distribution tax paid during the year							-
Profit for the year		175.15					175.15
Profit on sale of subsidiary companies		0.12					0.12
Other comprehensive income				(146.96)	1.02	(2.19)	(148.14)
Balances as at March 31, 2019	**4.07**	**1,285.33**	**52.54**	**178.10**	**1.02**	**(5.55)**	**1,515.51**
<u>Movement during FY 19-20</u>							
Dividends including Dividend distribution tax paid during the year		(35.13)					(35.13)
Profit for the year		193.19	0.00				193.19
Other comprehensive income				(161.31)	(8.94)	(0.76)	(171.01)
Balances as at March 31, 2020	**4.07**	**1,443.39**	**52.54**	**16.79**	**(7.92)**	**(6.31)**	**1,502.56**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying note no. 1 to 54 are integral part of these consolidated financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

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B B Mehta
W.T.D
DIN:00006890

Gautam Dalmia
Managing Director
DIN:00009758

Place : New Delhi
Date : June 19, 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on June 19, 2020.

B. Principles of consolidation

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated Financial Statements have been prepared on the following basis.

i. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

ii. Non-controlling interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.

iii. Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.

iv. The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

v. Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The Consolidated Statement of Profit and Loss includes the Company's share of the result of the operations of the associate.

vi. Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

vii. Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.

viii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Consolidated Financial Statements. Differences in accounting policies have been disclosed separately.

ix. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

x. The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity.

C. Basis of preparation and presentation.

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

D. Current/Non-current assets and liabilities:

A. Current Assets – An asset is classified as current when:

(a) The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) The company holds the asset primarily for the purpose of trading;

(c) The company expects to realise the asset within twelve months after the reporting period;

(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

B. Current Liability – A liability is classified as current when:

(a) The company expects to settle the liability in its normal operating cycle;

(b) The company holds the liability primarily for the purpose of trading;

(c) The liability is due to be settled within twelve months after the reporting period; or

(d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

E. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

F. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

a. **Property, plant and equipment and intangible assets**

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. **Recognition and measurement of defined benefit obligations**

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. **Fair value measurement of financial instruments**

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. **Provision for litigations and contingencies**

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. **Impairment of financial and non-financial assets**

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3. Significant accounting policies

A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognised the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.

B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013, except plant & Machinery of sugar and distillery segment where it is taken at 25 years. The following methods of depreciation are used for PPE and Intangible assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all PPE at Wind Farm Unit, MLCC division, Sugar units and Distillery units	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining PPE	Written down value method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.
Capital Spares	Based on technical estimates by the management depreciated on straight line method over a period of 10 years.

E. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

  Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (IND AS)-19- 'Employee Benefits'. Gratuity liability is funded on

Notes to Consolidated Financial Statements for the year ended March 31, 2020

year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

J. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

d. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

K. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

(a) Interest calculated using EIR

(b) Foreign exchange gain and losses; and

(c) Impairment losses and gains

vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

(b) Financial liabilities & Equity

i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent Measurement of Financial Liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

ix. Derivative financial instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivatives that are designated as hedges are classified as current and non current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

x. Cash flow hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

L. Investments in Associate, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

M. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sales is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. For consolidation purposes these transfers are eliminated from respective heads.

Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent it is sold.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The company being a manufacturing entity does not generally provides services in the normal course of business.

However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- Initial recognition

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- Conversion

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- Exchange differences

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

O. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

P. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the company recognizes the impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized in the financial statements.

R. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

S. Impairment

Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

4. Property plant & equipment, intangible assets & capital work in progress

(₹ in crore)

Particulars	Tangible Assets								Intangible Assets			Total
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	
Cost or revalued amount												
as at 01 April,2018	581.64	0.58	181.86	1,259.97	7.97	4.36	5.20	2,041.57	3.64	1.98	5.62	2,047.20
Additions	0.65	-	15.85	84.24	0.45	1.77	0.32	103.29	-	0.03	0.03	103.32
Disposals	-	-	-	0.11	0.02	0.67	0.40	1.20	-	-	-	1.20
as at 31st March,2019	**582.29**	**0.58**	**197.71**	**1,344.10**	**8.40**	**5.47**	**5.13**	**2,143.66**	**3.64**	**2.01**	**5.65**	**2,149.32**
Additions	0.31	-	2.68	93.96	0.35	0.40	0.86	98.57	-	0.19	0.19	98.76
Disposals	0.56	-	0.20	8.77	0.09	0.18	0.23	10.04	-	-	-	10.04
as at 31st March,2020	**582.03**	**0.58**	**200.19**	**1,429.29**	**8.65**	**5.69**	**5.76**	**2,232.19**	**3.64**	**2.20**	**5.84**	**2,238.04**
Depreciation and amortisation												
as at 01 April,2018	0.01	0.15	66.41	670.57	6.05	2.49	4.38	750.09	2.74	1.15	3.90	753.99
Charge for the year	-	0.02	5.03	43.93	0.38	0.61	0.35	50.32	0.88	0.36	1.23	51.55
Impairment Loss (refer note no. 49)	-	-	3.80	24.85	-	-	-	28.65	-	-	-	28.65
Disposals	-	-	-	0.11	0.01	0.50	0.40	1.01	-	-	-	1.01
as at 31st March,2019	**0.01**	**0.17**	**75.24**	**739.24**	**6.42**	**2.61**	**4.33**	**828.05**	**3.62**	**1.51**	**5.13**	**833.19**
Charge for the year	-	-	5.71	49.82	0.33	0.60	0.40	56.86	0.02	0.34	0.36	57.23
Impairment Loss	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	0.04	4.66	0.06	0.18	0.23	5.16	-	-	-	5.16
as at 31st March,2020	**0.01**	**0.17**	**80.92**	**784.41**	**6.70**	**3.03**	**4.50**	**879.76**	**3.64**	**1.85**	**5.49**	**885.27**
Net Block								-			-	
as at 31st March,2019	**582.28**	**0.41**	**122.47**	**604.86**	**1.98**	**2.86**	**0.79**	**1,315.61**	**0.02**	**0.50**	**0.52**	**1,316.13**
as at 31st March,2020	**582.02**	**0.41**	**119.27**	**644.89**	**1.95**	**2.65**	**1.26**	**1,352.43**	**0.00**	**0.35**	**0.35**	**1,352.78**
Capital Work in Progress*												
as at 31st March,2019												**10.92**
as at 31st March,2020												**6.18**

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

* Includes preoperative expenditure pending capitalisation of NIL (₹0.03 crore) (refer note no. 42)

Includes immovable property for 2.79 acres (2.79 acres) of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

5. Non-current financial assets

(₹ in crore)

	As at March 31, 2020		As at March 31, 2019	
5 (i). Investments				
A. Quoted				
Equity Shares Carried at Fair Value through OCI				
1885134(1885134) equity shares of ₹ 10 each fully paid up in Dalmia Bharat Ltd.(formerly known as Odisha Cement Ltd.)		92.18		186.60
193,850 (203,655) equity shares of ₹ 10 each, fully paid up of Poddar Pigments Limited		2.22		3.37
B. Unquoted				
(i) Investment in Bonds (Carried at amortised Cost)				
10.40% Vijaya Bank Bonds 2020		0.00		1.98
9.55% Canara Bank (Perp.) Bonds		5.39		5.39
8.10% HUDCO BONDS		0.53		0.00
(ii) Others*				
Shares of Co-operative Socities (Unquoted)				
DMC Employees Co-op Stores Limited		((2,500))		((2,500))
Government or Trust Securities (Unquoted)				
National Saving Certificates		((2,000))		((2,000))
		100.32		**197.34**
Aggregate amount of quoted investments and market value thereof		94.40		189.97
Aggregate amount of unquoted investments		5.92		7.37
Aggregate amount of impairment in value of investments		-		-
* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.				
5 (ii). Loans				
(Unsecured, considered good unless stated otherwise)				
Security deposits		2.43		2.15
Others		23.76		25.36
(Considered doubtful)				
Others	0.28		0.30	
Less : Allowance for bad and doubtful advances	0.28	0.00	0.30	0.00
		26.19		**27.51**
5 (iii). Others*				
Fixed deposits with banks		0.45		0.15
(with remaining maturity of more than 12 months)				
(Unsecured, considered good)				
Others		0.00		0.36
*Held as margin money with Government department and others		**0.45**		**0.51**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

6. Income Tax Assets (Net)

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Pre paid Taxes	151.05	106.82
Less: Provision for taxes	(131.89)	(87.76)
	19.16	**19.06**

7. Other non current assets

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless stated otherwise)		
Capital advances	0.81	7.10
Advances other than capital advances	0.75	0.65
Balances with Government departments under protest	1.11	1.10
	2.67	**8.85**

8. Inventories

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Refer Note No. 3(J))(As taken, valued and certified by the management)		
Raw materials	30.02	15.97
Work in progress	12.71	11.23
Finished goods* (Refer Note no.36)	1,258.94	1,035.93
Stores, spare & others	27.52	31.96
	1,329.19	**1,095.09**

* after considering write down of ₹37.27 crore (₹ 11.36 crore) in the value of inventory of sugar to it's net realizable value.

Note: Inventory is hypothecated as first pari passu charge of bankers for working capital.

9. Current financial assets

9 (i). Investments

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Equity Shares Carried at Fair Value through OCI		
1312444(1312444) equity shares of ₹ 10 each fully paid up in Dalmia Bharat Ltd.	64.18	129.91
Investment in mutual funds (quoted)		
(Carried at Fair Value through profit and loss)		
Debt based schemes	194.33	90.00
Total	**258.51**	**219.91**
Aggregate amount of quoted investments and market value thereof	258.51	219.91
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

9 (ii). Trade receivables

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	169.79	203.57
Considered Doubtful	0.45	0.45
Less : Allowance for bad and doubtful debts	(0.45)	(0.45)
	169.79	**203.57**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

9 (iii). Cash and cash equivalents

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.26	0.16
Cheques, drafts on hand	0.15	0.00
Balance with banks	66.06	27.87
	66.47	**28.03**

9 (iv). Bank balances other than cash & cash equivalents

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
- Earmarked balances with banks (Unpaid dividend accounts)	0.64	0.54
	0.64	**0.54**

9 (v). Loans

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Others		
Loans to employees	0.76	1.06
	0.76	**1.06**

9 (vi). Others

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Interest receivable	0.39	0.35
Buffer subsidy and Interest subvention receivable	28.15	5.70
Unbilled revenue	16.30	21.63
Others	0.16	0.39
	45.00	**28.07**

10. Other current assets

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Advances other than capital advances		
Production/Export Subsidy Receivable	49.45	17.57
Deposit and Balances with Government departments and other authorities	3.35	7.64
Other advances	7.11	7.42
	59.91	**32.63**

11. Equity Share capital

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Authorised :		
11,47,26,820(11,47,26,820) Ordinary equity shares of ₹ 2/- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹ 2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary equity shares of ₹ 2/- each	16.19	16.19
	16.19	**16.19**

(a) **Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the year	8,09,39,303	16.19	8,09,39,303	16.19
Changes during the year	-	-	-	-
At the end of the year	8,09,39,303	16.19	8,09,39,303	16.19

(b) **Terms/ rights attached to ordinary equity shares**

The Company has only one class of ordinary equity shares having a face value of ₹2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.

(c) **Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	3,58,75,223	44.32%	3,58,75,223	44.32%
Dalmia Bharat Limited	1,48,29,764	18.32%	1,48,29,764	18.32%
Vanika Commercial and Holdings Private Ltd	86,87,305	10.73%	86,87,305	10.73%

As per records of the company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.- Nil

(e) The Company has declared and paid interim dividend of ₹2.00 per share of face value of ₹2.00 each for the F.Y 2019-20 and final dividend of ₹1.60 per share of face value of ₹2 per share for F.Y 2018-19.

Interim dividend for the F.Y. 2019-20 has been confirmed as the final dividend for the F.Y. 2019-20.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

12. Other Equity

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Reserve & Surplus		
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Changes during the year	-	-
Closing balance	**4.07**	**4.07**
General reserve		
Opening balance as per last financial statements	52.54	52.54
Add:- Amount transferred from surplus balance in statement of profit & loss	-	-
Add:- Amount transferred from Debenture redemption reserve		
Closing balance	**52.54**	**52.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,285.33	1,110.06
Profit for the year	193.19	175.15
Gain on sale of Subsidiaries	-	0.12
Less: appropriations		
(i) Transfer to general reserve	-	-
(ii) Final/Interim dividend on ordinary shares	(29.14)	-
(iii) Dividend distribution tax	(5.99)	-
Total appropriations	**(35.13)**	**-**
Net surplus in the statement of profit and loss	**1,443.39**	**1,285.33**
Total reserves and surplus	**1,500.00**	**1,341.94**
Other Comprehensive Income		
Opening Balance	173.57	321.70
Addition/(reduction) during the year	(171.01)	(148.13)
Closing Balance	**2.56**	**173.57**
Total Other Equity	**1,502.56**	**1,515.51**

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

3 Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

4 General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act , 2013, transfer of any amount to general reserve is at the discretion of the Company.

13. Non current financial liabilities

13 (i). Borrowings

(₹ in crore)

	As at March 31, 2020		As at March 31, 2019	
Secured				
Term loans:				
i. From banks	370.36		355.94	
Less: Shown in current maturities of long term borrowings	51.61	318.75	36.31	319.63
ii. From other parties	138.62		163.94	
Less: Shown in current maturities of long term borrowings	32.98	105.64	22.82	141.12
(Refer note no. 17(iii) for current maturities)		**424.39**		**460.75**

(₹ in crore)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Fixed/ Fluctuating interest rate	Rate of interest
	Non Current Borrowings				
A)	From Bank				
a)	Punjab National Bank				
	Soft Loan for cane payment	13.09	13.07	Fluctuating	Base Rate+1.75%, Presently 9.68%
b)	HDFC Term Loan for capital expenditure	-	99.08	Fluctuating	One year MCLR+0.80%
c)	Axis Bank soft loan for payment of cane dues	194.28		Fluctuating	One year MCLR+0.35% Presently 9.15%
d)	Axis Bank for capital expenditure	64.16	184.16	Fluctuating	One year MCLR+0.75%, Presently 9.55%
e)	HDFC Term Loan for Nigohi Distillery	50.00	50.00	Fluctuating	60bps over 1year MCLR,Presently 8.75%
f)	HDFC Term Loan for Jawaharpur Distillery Expansion	10.83	10.83	Fluctuating	60 bps over 1year MCLR,Presently 8.75%
g)	HDFC Term Loan for Jawaharpur Distillery Incineration Boiler	38.00	-	Fluctuating	60 bps over 1year MCLR,Presently 9.20%
	Notional reduction in loan balances due to IND AS adjustments	-	(1.20)		
	Total	370.36	355.94		
B)	From Others				
	Sugar Development Fund Loans				
a)	Secured against Bank Guarantee	26.21	32.91	Fixed	4.75% to 5.75%
b)	Soft loan from UP Government (SEFASU 2018 Scheme)	125.06	150.07	Fixed	5% Simple Interest
	Notional reduction in loan balances due to IND AS adjustments	(12.65)	(19.04)		
	Total	138.62	163.94		
	G Total	508.98	519.88		

Nature of securities, Interest & repayment Terms.

A) Details of Loans taken from Banks:-

a) PNB Interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis on entire fixed assets of the company's sugar units.

b) HDFC Term loan , is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

c) Axis Bank soft loan,is secured by first pair passu charge by way of hypothication on all movable fixed asset of kolhapur Plant,repayable in 16 equal quarterly installments starting from after one year Monotorium starting from May'20

d) Axis Bank Term Loan is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting 31st March 2018.

e) HDFC Bank Term Loan for Nigohi distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Nigohi Plant payable in 40 equal quarterly installments starting from Dec'20.

f) HDFC Bank Term Loan for Jawaharpur distillery is secured by first pari passu charge through hypothecation on movable fixed asset of Ethanol Plant at Jawaharpur Plant payable in 40 equal quarterly installments starting from Dec'20.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

g) HDFC Bank Term Loan for Jawaharpur distillery Incinertion boiler is secured by first pari passu charge through hypothecation on movable fixed asset of Incinerator Boiler at Jawaharpur Plant payable in 40 equal quarterly installments starting from Aug'21.

B) Details of Loans taken from entities other than banks:-

a) Sugar Development Fund (SDF) loans are secured by guarantees given by banks on behalf of the company and are repayable in unequal structured installments.

b) SEFASU 2018 term loan is secured by first pari passu charge on movable and immovable fixed assets of Ramgarh,Jawaharpur and Nigohi sugar units.

13 (ii). Others

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Carried at amortised cost:-		
Other liabilities	3.67	3.67
	3.67	**3.67**

14. Non current provisions

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	29.43	22.81
	29.43	**22.81**

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on 31 March 2020 and movement during the year 2019-20. (₹ in crore)

Particulars	As at March 31, 2020	MAT credit utilized	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at March 31, 2019
Property, plant & equipment including fair valuation of land	237.37		6.54	-	230.83
Others	10.37		0.69	-	9.68
Expenses allowed on payment basis	(16.43)		(1.19)	(5.21)	(10.03)
MAT Credit Entitlement	(129.61)	3.65	0.44	-	(133.70)
Net Deferred tax liability / (asset)	**101.70**	**3.65**	**6.48**	**(5.21)**	**96.78**

B) Major components of deferred tax liabilities as on 31 March 2019 and movement during the year 2018-19. (₹ in crore)

Particulars	As at March 31, 2019	Deferred tax on subsidiaries sold during the year	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at April 01, 2018
Property, plant & equipment including fair valuation of land	230.83		(2.60)	-	233.43
Others	9.68	0.07	3.03	-	6.58
Expenses allowed on payment basis	(10.03)		(1.40)	(0.63)	(8.00)
MAT Credit Entitlement	(133.70)		(26.44)	-	(107.26)
Net Deferred tax liability / (asset)	**96.78**	**0.07**	**(27.41)**	**(0.63)**	**124.75**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

16. Other non current liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Government Grant		
(Refer note no. 40 for movement during the year)	12.34	16.53
	12.34	**16.53**

17. Current financial liabilities

17 (i). Borrowings

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Secured		
loans from banks		
Working capital/short term loans	530.28	328.30
Commercial Papers	138.88	0.00
Cash credit limit	0.14	188.70
Unsecured		
Commercial Papers	98.92	-
	768.22	**517.00**

(i) Working capital Loan/short term loan and cash credit are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 8.5% to 12%.

(ii) Commercial Papers issued were repayable during next one year and carry interest in the range of 6.75% to 7.25%.

17 (ii). Trade payables

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Trade Payables		
- Micro and small enterprises *	1.52	0.05
- Others	400.44	420.12
	401.96	**420.17**

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.
(refer note no. 35)

17 (iii). Other financial liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings	84.59	59.12
Interest accrued but not due on borrowings	6.59	6.42
Unclaimed dividend *	0.64	0.54
Others:-		
Accrued salaries & benefits	1.30	2.48
Security deposits received	3.26	1.16
Others	43.15	27.72
	139.53	**97.44**

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

18. Other current liabilities

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Advances from customers	21.33	1.30
Statutory dues	7.03	9.95
Government grant (Refer note no. 40(b) for movement during the year)	4.20	4.41
	32.56	**15.66**

19. Provisions (current)

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	5.55	6.71
	5.55	**6.71**

20. Revenue from operations

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Sales of products		
Sugar and allied products	1,568.58	1,573.09
Power	151.95	211.59
Distillery	295.19	214.72
Others	12.75	13.15
	2,028.47	**2,012.55**
Sales of services	2.43	2.49
Other Operating Revenue		
REC Sales	3.68	2.04
Others	0.10	1.43
	2,034.68	**2,018.51**

21. Other income

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend income from non current investment	1.31	0.56
Interest Income from bank deposits and others	2.13	3.87
Profit on sale of investments	0.77	5.69
Profit on changes in Fair valuation of investments	5.34	6.29
Profit on sale of fixed assets	0.06	0.14
Gain on foreign exchange fluctuation	2.01	5.67
Government Grant (refer note no. 40)	37.85	15.86
Production Subsidy by Central Government (refer note no. 40)	71.56	13.45
Export Subsidy by Central Government (refer note no. 40)	4.55	0.00
Cane Incentive by State Government (refer note no. 40)	0.00	13.17
Miscellaneous receipts	7.06	9.98
	132.64	**74.68**

22. Cost of raw materials consumed

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Sugar Cane & Molasses	1,594.49	1,705.21
Raw Magnesite	1.29	1.79
Others	35.69	29.23
	1,631.47	**1,736.24**

23. Changes in inventories of finished goods, work in progress

(₹ in crore)

	Year ended March 31, 2020		Year ended March 31, 2019	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	1,258.94		1,035.93	
- Opening stock	1,035.93		705.24	
		(223.01)		(330.69)
Work-in-process				
- Closing stock	12.71		11.23	
- Opening stock	11.23		13.90	
		(1.48)		2.67
		(224.49)		**(328.02)**

24. Employee benefits expense

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages, bonus and other payments	117.81	105.28
Contribution to provident fund and other funds	11.02	9.91
Workmen and staff welfare expenses	4.93	3.47
Less:Employee cost captalised	0.12	-
	133.64	**118.66**

25. Finance Costs

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest		
- On term loans, WCDL & commercial papers	76.37	63.69
- On other borrowings from banks	7.84	3.79
- Others	0.00	0.24
Interest on delay in payment of taxes	-	-
Other borrowing costs	4.49	1.82
	88.70	69.54
Less: Interest cost capitalised	0.32	0.93
	88.38	**68.61**

26. Depreciation and amortization expenses

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	56.85	50.32
Amortization of intangible assets	0.38	1.23
	57.23	**51.55**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

27. Other Expenses

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	54.21	53.42
Packing Materials	16.21	19.24
Consumption of Stores and Spares Parts	19.16	20.96
Repairs and Maintenance :		
- Plant & Machinery	43.54	35.01
- Buildings	2.30	1.71
- Others	0.60	1.14
Rent	1.74	1.03
Rates and Taxes	4.04	3.20
Insurance	1.29	0.86
Travelling	1.53	1.46
Advertisement and Publicity	0.29	0.13
Freight and Forwarding Charges (net of recoveries)	29.17	20.83
Management Service Charges	12.59	17.36
Selling Expenses	2.90	4.25
Export facilitation charges	4.11	6.18
Commission paid to Other Selling Agents	2.41	2.67
Rebates, Discount and Allowances	0.61	0.18
Director's Sitting Fees	0.17	0.22
Charity and Donation	0.55	0.50
Assets written off / Loss on sale of Fixed Assets	1.31	-
Bad Debts written Off	0.11	0.02
CSR Expenses (refer note no. 46 (e))	3.90	2.92
Miscellaneous Expenses	32.19	32.78
	234.93	**226.07**
Less: Expenses Capitalised	1.31	0.14
	233.62	**225.93**

28. Tax expense

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
(i) The major components of income tax expense for the financial year 2019-20 & 2018-19 are as follows:-		
Statement of profit and loss:		
Current income tax	47.83	43.83
Deferred tax on timing differences	6.45	(0.97)
Mat credit entitlement	-	(26.44)
Total	**54.28**	**16.42**
Other comprehensive income:		
Re-measurement (gains)/losses on defined benefit plans	(5.21)	(0.63)
Income tax relating to items recognised in OCI during the year	**(5.21)**	**(0.63)**
(ii) Reconciliation of deferred tax and accounting profit multiplied by India's domestic tax rate for the year:-		
Accounting profits before tax	247.47	191.57
Applicable tax rate*	34.944%	34.944%
Computed tax expense	**86.47**	**66.94**
Impact of difference in tax rate	-	(0.78)
Tax impact on additions of permanent nature	0.29	4.98
Impact of 80IA deduction for tax holiday period	(33.92)	(56.90)
Differential tax on REC income chargeable at lower/nil rates	-	(0.71)
Others	1.44	2.89
	54.28	**16.42**

*On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

29. Other Comprehensive Income

(₹ in crore)

			Year ended March 31, 2020	Year ended March 31, 2019
(A)	(i)	Items that will not be reclassified to profit/(loss)	(162.48)	(150.33)
	(ii)	Income tax relating to items that will not be reclassified to profit/(loss)	0.41	1.18
(B)	(i)	Items that will be reclassified to profit/(loss)	0.00	
		Fair value changes on derivatives designated as cash flow hedge	(13.74)	1.57
	(ii)	Income tax relating to items that will be reclassified to profit/(loss)	4.80	(0.55)
			(171.01)	**(148.13)**

30. Earning Per Share

(₹ in crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/(loss) attributable to equity shareholders ((₹ in crore)s)	193.19	175.15
Number of equity shares outstanding during the year (weighted average)	8,09,39,303	8,09,39,303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	23.87	21.64
Diluted	23.87	21.64

31. The Group Comprises of the following entities:

The subsidiaries,associates and joint ventures considered in the Consolidated Financial Statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31,2020	Percentage of Ownership held as at March 31,2019
Subsidiary companies:-			
Himshikhar Investment Limited(HIL)	India	100%	100%

32. Contingent Liabilities (not provided for) in respect of:

(₹ in crore)

S. N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Claims against the company not acknowledged as debts*	84.35	84.61
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	3.72	3.55
c)	Guarantee issued by the company's banker on behalf of the company#	70.42	51.55

* Includes demand of ₹ 79.88 cr raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand and the writ is pending for final disposal.

Excludes bank guarantees issued by banks on behalf of the company against financial liabilities recognised in the books of account.

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc, the company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

33. Capital and other commitments:

(₹ in crore)

S. N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.21	4.98
b)	Other Commitments	-	-

34. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ in crore)

S.N.	Particulars	2019-20	2018-19
	Statutory Auditor		
i	Audit Fee (Including Limited Reviews)	0.16	0.10
ii	For tax audit and other services	0.03	0.05
iii	For reimbursement of expenses	0.04	0.05

35. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(₹ in crore)

S.N.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	1.52	0.05
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d)	The amount of interest accrued and remaining unpaid	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	Total	**1.52**	**0.05**

36. Details of Opening and Closing Inventory of Finished Goods:

(₹ in crore)

S.N.	Class of Product	2019-20	2018-19
a)	**Opening stock**		
	Refractory products	18.17	14.19
	Sugar	981.26	657.18
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.31	0.58
	Industrial Alcohol	9.64	14.03
	Others	26.53	19.24
	Total	**1,035.93**	**705.24**
b)	**Closing stock**		
	Refractory products	16.71	18.17
	Sugar	1,159.78	981.26
	Multilayer Ceramic Chip Capacitors	0.02	0.02
	Power-Banked	0.38	0.31
	Industrial Alcohol	25.83	9.64
	Others	56.22	26.53
	Total	**1,258.94**	**1,035.93**

37. Disclosure as required by Ind AS 108, Operating Segment

(i) Identification of Segments

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

(ii) Operating segments identified as follows:

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol and ENA.

d) The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments. There is no major reliance on a few customers or suppliers.

(iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

(iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

(v) Segment revenue and segment profit (₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Revenue					
Gross Revenue	1,828.40	315.60	295.71	15.18	2,454.89
	(1,743.70)	(409.22)	(216.23)	(17.02)	(2,386.17)
Inter Segment sale	259.72	159.97	0.52	-	420.21
	(170.57)	(195.58)	(1.51)	-	(367.66)
Total Revenue from operation*	1,568.68	155.63	295.19	15.18	2,034.68
	(1,573.13)	(213.64)	(214.72)	(17.02)	(2,018.51)
Other Income					132.64
					(74.68)
Total Revenue					2,167.32
					(2,093.19)
Results	129.77	96.28	111.48	(1.68)	335.85
	((13.66))	(168.28)	(117.33)	((11.77))	(260.18)
Finance Cost					88.38
					(68.61)
Profit Before Tax					247.47
					(191.57)
Tax Expense					54.28
					(16.42)
Profit After Tax					193.19
					(175.15)

* Includes other operating Income.

Revenue in respect of captive power produced from cogeneration plant has been arrived at based on the rates at which the same is being supplied to State electricity board.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

(vi) Segment Assets & Liabilities

(₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Assets					
As at 31st March 2020	**2,028.90**	**428.47**	**193.43**	**410.82**	**3,061.62**
As at 31st March 2019	(1,748.18)	(428.77)	(183.24)	(412.24)	(2,772.43)
Unallocable Asset					
As at 31st March 2020					**376.48**
As at 31st March 2019					(416.79)
Total Asset					
As at 31st March 2020					**3,438.10**
As at 31st March 2019					(3,189.22)
Segment Liability					
As at 31st March 2020	**1,629.86**	**6.15**	**114.54**	**15.38**	**1,765.93**
As at 31st March 2019	(1,185.80)	(12.85)	(83.60)	(14.98)	(1,297.23)
Unallocable Liability					
As at 31st March 2020					**153.41**
As at 31st March 2019					(360.29)
Total Liability					
As at 31st March 2020					**1,919.34**
As at 31st March 2019					(1,657.52)

(vii) Other Information

(₹ in crore)

Particulars	Sugar	Power	Distillery	Other	Total
Depreciation / Amortisation	**26.88**	**23.68**	**5.54**	**1.13**	**57.23**
	(26.96)	(19.27)	(4.18)	(1.14)	(51.55)
Capital expenditure	**22.76**	**73.31**	**2.11**	**0.58**	**98.76**
	(21.69)	(31.42)	(48.63)	(1.58)	(103.32)

(viii Geographical Location

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operation		
Domestic	1,911.41	1,867.17
Overseas	123.27	151.34
Total	**2,034.68**	**2,018.51**

Note: There are no non-current assets located outside India.

(ix) Significant clients

There is no single customer who has contributed 10% or more to the company's revenue for both the years ended March 31, 2020 and March 31, 2019.

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 & 3.

b) All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.

c) All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

38. Employee Benefits - Gratuity & Post employment benefits

Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under:

A. Statement of profit and loss

Net employee benefit expense (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Current Service cost	2.83	2.42
Net Interest cost	1.31	0.93
Expenses Recognized in the statement of Profit & Loss	**4.14**	**3.35**

Amounts to be recognized in Other Comprehensive Income (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Actuarial (gain)/loss on assets	0.00	0.43
Actuarial (gain)/loss on liabilities	1.16	2.93
Net (gain)/loss to be recognized in Other Comprehensive Income	**1.16**	**3.36**

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Defined benefit obligation	43.04	36.16
Fair value of plan assets	18.60	18.07
Net Asset/(Liability) recognized in the Balance Sheet	**(24.44)**	**(18.09)**

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Opening defined benefit obligation	36.16	29.43
Interest cost	2.63	2.32
Current service cost	2.83	2.43
Benefit paid	(1.53)	(1.43)
Actuarial (gains)/losses on obligation	1.17	2.93
Closing defined benefit obligation	**43.04**	**36.16**

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in crore)

Particulars	2019-20	2018-19
Opening fair value of plan assets	18.07	17.66
Actual return on Plan Assets	1.31	0.96
Contribution during the year	0.75	0.89
Benefit paid	(1.53)	(1.43)
Closing fair value of plan assets	**18.60**	**18.07**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: (₹ in crore)

Particulars	2019-20	2018-19
	%	%
Discount rate (%)	6.40%	7.25%
Expected salary increase (%)	7.00%	7.00%
Demographic Assumptions	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Retirement Age (year)	58 Years	58 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v. Contribution to defined contribution plans: (₹ in crore)

Particulars	2019-20	2018-19
Pension Fund/Superannuation funds/ESI/EPF	6.86	6.56

vi Sensitivity analysis of the defined benefit obligation: (₹ in crore)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Impact on defined benefit obligation	45.98	38.70	40.43	33.92
Impact on defined benefit obligation (change in %)	6.80%	7.00%	-6.10%	-6.20%

(₹ in crore)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Impact on defined benefit obligation	40.42	33.89	45.94	38.68
Impact on defined benefit obligation (change in %)	-6.10%	-6.30%	6.70%	7.00%

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

39. Related party transaction

a) List of related parties (as certified by the management)

i. Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman & Managing Director, Shri Gautam Dalmia - Managing Director, Ms. Sneha Sharma - Company Secretary (Till 31/10/2019),Ms. Aashima Khanna-Company Secretary(w.e.f 30/01/2020), Ms. Isha Kalra - company Secretary (Till 11/10/2018) & Shri Anil Kataria- Chief Financial Officer

Whole Time director - Shri B B Mehta (w.e.f 01/04/2019).

Independent directors - Shri J. S. Baijal (Till 29/08/2019) , Shri M. Raghupathy (Till 29/08/2019) , Shri P. Kannan and Ms. Amita Misra (w.e.f 29/08/2019)

Non-Executive directors - Shri T. Venkatesan, Ms. Himmi Gupta (Till 30/07/2019) and Shri B B Mehta (Till 31/03/2019)

Shri Yadu Hari Dalmia - Relative of Key Management Personnel

ii. **Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)**

Dalmia Bharat Limited(Odisha Cement limited), Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited,Adhunik Cement Limited, Calcom Cement India Limited, OCL India Limited, Dalmia Cement East Ltd , Dalmia Bharat Foundation , Dalmia Institute of Scientific & Industrial Research,Antordaya Comm.& Holdings,GSB Refractories India Pvt. Ltd.,Grandeur Travels & Tours Pvt. Ltd.,Dalmia Vidya Mandir,Dalmia DSP Ltd. and Alsthom Industries Limited.

Note:- Adhunik Cement Limited, OCL India Limited and Dalmia Cement East Ltd have been merged with Dalmia Cement (Bharat) Limited wef 16/5/18, 26/10/18 and 26/10/18 respectively.

b) **The following transactions were carried out with related parties in the ordinary course of business:**

(₹ in crore)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Sale of goods and services			
a) Dalmia Cement (Bharat) Limited		9.00	9.00
		(6.33)	(6.33)
b) OCL India Limited		-	-
		(0.35)	(0.35)
c) Dalmia Bharat Limited(Odisha Cement Limited)		1.33	1.33
		(2.21)	(2.21)
d) Adhunik Cement Limited		-	-
		(0.37)	(0.37)
e) Dalmia Refractories Limited		1.22	1.22
		(1.23)	(1.23)
f) Calcom Cement India Limited		0.46	0.46
		(0.29)	(0.29)
g) Dalmia Cement East Limited		-	-
		(0.45)	(0.45)
h) Dalmia Institute of Scientific & Industrial Research		0.01	0.01
		(0.01)	(0.01)
i) Dalmia Bharat Foundation		0.05	0.05
		-	-
j) GSB Refractories Indian Pvt Ltd		0.00	0.00
		-	-
k) Dalmia Vidya Mandir		0.01	0.01
		-	-
l) Dalmia DSP Ltd.		0.44	0.44
		-	-
m) Alsthom Industries Limited.		0.02	0.02
		-	-
n) Antordaya Comm. & Holdings		0.03	0.03
		-	-
o) Sh. Yadu Hari Dalmia and Family	0.51		0.51
	(0.77)		(0.77)
p) Sh. Jai Hari Dalmia and Family	0.23		0.23
	(0.09)		(0.09)
B. Reimbursement of expenses – receivable			
a) Dalmia Bharat Limited(Odisha Cement Limited)		0.01	0.01
		-	-
C. Reimbursement of expenses – payable			
a) Dalmia Bharat Limited(Odisha Cement Limited)		-	-
		(0.08)	(0.08)
b) Dalmia Institute of Scientific & Industrial Research		0.06	0.06
		(0.12)	(0.12)

Notes to Consolidated Financial Statements for the year ended March 31, 2020

(₹ in crore)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
c) Dalmia Bharat Foundation		2.30	2.30
(For CSR Expenditure)		(2.87)	(2.87)
D. Purchase of goods and services			-
a) Dalmia Bharat Limited(Odisha Cement Limited)		11.18	11.18
		(16.76)	(16.76)
b) Dalmia Cement (Bharat) Limited		2.08	2.08
		(1.11)	(1.11)
c) Dalmia Refractories Limited		0.05	0.05
		(0.06)	(0.06)
d) Adhunik Cement Limited		-	-
		-	-
E. Salary and Perquisites			
a) Shri J.H. Dalmia	1.42		1.42
	(1.40)		(1.40)
b) Shri Gautam Dalmia	5.84		5.84
	(5.84)		(5.84)
c) Shri B B Mehta	2.60		2.60
	-		-
d) Shri Anil Kataria	0.89		0.89
	(0.82)		(0.82)
e) Ms. Isha Kalra	-		-
	(0.06)		(0.06)
f) Ms. Sneha Sharma *	0.04		0.04
	(0.02)		(0.02)
g) Ms. Aashima Khanna *	0.01		0.01
	-		-
F. Dividend Received			
a) Dalmia Bharat Limited(Odisha Cement Limited)		0.75	0.75
		(0.54)	(0.54)
G. Dividend Paid			
a) Dalmia Bharat Limited(Odisha Cement Limited)		5.34	5.34
		-	-
H. Sitting fees to directors			
a) Shri J.S. Baijal		0.03	0.03
		(0.06)	(0.06)
b) Shri M. Raghupathy		0.02	0.02
		(0.05)	(0.05)
c) Shri P. Kannan		0.04	0.04
		(0.05)	(0.05)
d) Shri T. Venkatesan		0.03	0.03
		(0.02)	(0.02)
e) Shri B.B. Mehta		-	-
		(0.03)	(0.03)
f) Ms. Himmi Gupta		0.01	0.01
		(0.02)	(0.02)
g) Ms. Amita Misra		0.03	0.03
		-	-

(₹ in crore)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
I. Commission to independent directors			-
a) Shri J.S. Baijal		0.04	0.04
		(0.20)	(0.20)
b) Shri M. Raghupathy		0.04	0.04
		(0.20)	(0.20)
c) Shri P. Kannan		0.10	0.10
		(0.13)	(0.13)
d) Ms. Amita Misra		0.06	0.06
		-	-
J. Other expenditure			
a) Shri Yadu Hari Dalmia		0.04	0.04
		(0.04)	(0.04)
K. Acquisition liability on account of gratuity and leave encashment actuarial valuation			
a) Dalmia Bharat Limited(Odisha cement Limited)		1.89	1.89
		(0.65)	(0.65)

* Amount is for part of the year

Notes:-

i) Above transactions are exclusive of recoverable taxes, wherever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall company basis.

c) Balances Outstanding at Year End:

(₹ in crore)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Amounts payable			
a) Dalmia Bharat Limited(Odisha Cement Limited)		1.03	1.03
		(3.24)	(3.24)
b) Dalmia Cement (Bharat) Limited		0.21	0.21
		(0.30)	(0.30)
c) Dalmia Institute of Scientific & Industrial Research		0.01	0.01
		(0.03)	(0.03)
d) Sh. Yadu Hari Dalmia and Family	0.08		0.08
	-		-
e) Sh. Jai Hari Dalmia and Family	0.00		0.00
	-		-
B. Amounts Receivable			
a) Dalmia Bharat Limited(Odisha Cement Limited)		0.09	0.09
		(0.02)	(0.02)
b) Dalmia Cement (Bharat) Limited		0.44	0.44
		(0.13)	(0.13)
c) Dalmia Refractories Limited		0.17	0.17
		(0.06)	(0.06)
d) Calcom Cement India Limited		0.06	0.06
		(0.03)	(0.03)
e) Alsthom Industries Limited		0.00	0.00
		-	-
f) Dalmia Bharat Foundation		0.01	0.01
		-	-
g) Dalmia DSP Ltd.		0.04	0.04
		-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2020

40. Government Grant

a) **Government grants recognised in the financial statements**

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, buffer stock subsidy and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

(₹ in crore)

Particulars	Treatment in accounts	2019-20	2018-19
Revenue related government grant			
Production subsidy	Shown as a part of other Income	71.56	13.45
Production subsidy	Shown as reduction from Cane price	10.06	4.92
Export subsidy (MAEQ Quota SS 19-20)	Shown as a part of other Income	4.55	-
UP State cane incentive	Shown as a part of other Income	-	13.17
UP State cane incentive	Shown as reduction from Cane price	-	5.16
Buffer stock subsidy - Interest on loan	Shown under Government Grant under Other Income	13.17	7.00
Buffer stock subsidy - Reimbursement of storage expenses	Shown under Government Grant under Other Income	2.21	1.28
Interest subvention on SEFASU loan	Shown under Government Grant under Other Income	11.44	-
Interest subvention on Ethanol capacity loan	Shown under Government Grant under Other Income	3.84	-
Subsidy Received from MEDA	Shown under Government Grant under Other Income	2.78	-
Deferred government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	4.41	7.58

b) **Movement of deferred government grants is provided here below:**

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	20.94	11.72
Add: Increase during the year	-	16.80
Less: Released to the Statement of Profit & Loss	4.41	7.58
Closing balance	16.53	20.94
Current	4.20	4.41
Non-current	12.33	16.53

41. Leases

(i) **Operating lease arrangements**

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

Payments recognised as expense

(₹ in crore)

Particulars	2019-20	2018-19
Minimum lease payment	1.74	1.03

42. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.

43. Pre operative expenditure included in capital work in progress

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ in crore)

Particulars	2019-20	2018-19
Carried forward as part of Capital Work in Progress (A)	0.03	0.06
Expenditure incurred during the year		
Finance Cost	0.32	0.93
Consultancy Charges	0.78	0.02
Miscellaneous Expenses	0.66	0.12
Total Expenditure incurred during the year (B)	**1.76**	**1.07**
Total Pre-operative Expenditure (A + B)	**1.79**	**1.13**
Less : Capitalised as Property, plant and equipment	1.79	1.10
Carried forward as part of Capital Work in Progress	-	**0.03**

44. Financial Risk Management

Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

A Market Risk:-

The Company operates internationally and is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas. The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures.

The details in respect of outstanding foreign currency forward contracts are as follows :

Particulars	Amount (USD in crore)	(₹ In crore)	Amount (USD in crore)	(₹ In crore)
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Forward Contracts	3.79	276.64	0.59	42.63

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

Particulars	Amount (USD in crore)	(₹ In crore)	Amount (USD in crore)	(₹ In crore)
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Not Later than one months	0.31	22.63	0.14	9.86
Later than one month and not later than three months	2.84	207.22	0.18	13.11
Later than three months and not later than One year	0.64	46.79	0.27	19.66

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in other comprehensive income - cash flow hedge as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 4 months.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Other comprehensive income - cash flow hedge for the year ended:-

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Gain / (Loss)		
Balance at the beginning of the year	1.02	-
Gain / (Loss) reversed in other comprehensive income during the period	(1.57)	-
Tax impact on above	0.55	-
Gain / (Loss) recognized in other comprehensive income during the period	(12.17)	1.57
Tax impact on above	4.25	(0.55)
Balance at the end of the year	(7.92)	1.02

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

B Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of institutional & non institutional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing. (₹ in crore)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2020	21.77	148.02	169.79
As at March 31, 2019	34.70	168.87	203.57

C Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total current assets	1,930.35	1,608.90
Total current liabilities	1,347.82	1,056.98
Current ratio	**1.43**	**1.52**

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities : (₹ in crore)

S.N.	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at 31st March, 2020				
(i)	Borrowings*	768.22	308.45	115.94	1,192.61
(ii)	Other Financial Liability #	143.20			143.20
(iii)	Trade and other payable	401.96			401.96
II	As at 31st March, 2019				
(i)	Borrowings*	517.00	292.02	168.73	977.75
(ii)	Other Financial Liability #	101.11			101.11
(iii)	Trade and other payable	420.17			420.17

* Includes short term borrowings & Long term borrowings payable after 1 year.

includes current maturities of long term debts.

D Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:- (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total long term borrowing on fluctuation rates	370.36	357.14
Increase in profit before tax with each 1% reduction in interest rates	3.70	3.57
Decrease in profit before tax with each 1% increase in interest rates	(3.70)	(3.57)

45. Capital Management

For the purpose of capital management, capital includes net debt and total equity of the company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the company.

One of the major business of the company is the sugar business, which is a seasonal industry,where the entire production is made in about five to six months and then sold throughout the year. Thus, it necessitates keeping high sugar inventory levels requiring high working capital funding. Sugar business being a cyclical business, it is prudent to avoid high leverage and the resultant high finance cost. It is the endeavor of the company to prune down debts to acceptable levels based on its financial position.

The company may resorts to further issue of capital when the funds are required to make the company stronger financially or to invest in projects meeting the ROI expectations of the Company.

The Company monitors capital structure through gearing ratio represented by debt-equity ratio (debt/total equity). The gearing ratios for the company as at the end of reporting period were as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current borrowings (note no.13 (i))	424.39	460.75
Current borrowings (note no.17 (i))	768.22	517.00
Current maturities of long-term borrowings (note no.17 (iii))	84.59	59.12
Total debt	**1277.20**	**1036.87**
Less: Cash and cash equivalents (not no. 9 (i),(iii)&(iv))	(325.62)	(248.48)
Net debt	**951.58**	**788.40**
Total equity (note no.11 & 12)	**1518.75**	**1531.70**
Net debt to equity ratio	0.63	0.51
Long term debt equity ratio	0.34	0.34

Notes to Consolidated Financial Statements for the year ended March 31, 2020

In addition to the above gearing ratio, the company also looks at operating profit to total debt ratio (EBIDTA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financials convenants. With a view to arrive at the desired capital structure based on the financial condition of the company, the company normally incorporates a clause in loan agreements for prepayment of loans without any premium. During the year, majority of the long term debts have been contracted by the company at concessional interest rates under various soft loan schemes of the Government.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2020 and 31 March 2019.

The company is not subject to any externally imposed capital requirements.

46. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ in crore)

Sl. No.	Particulars	Fair value hierachy	As at March 31, 2020		As at March 31, 2019	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**					
(i)	In Debt based mutual funds	Level 1	194.33	194.33	90.00	90.00
2	**Financial assets designated at fair value through other comprehensive income**					
(i)	Investment In Listed Equity shares	Level 1	158.58	158.58	319.89	319.89
3	**Financial assets designated at amortised cost**					
(i)	Investment in Bonds	Carried at amortised cost.	5.91	5.91	7.37	7.37
(ii)	Other Bank Balances	Level 2	0.64	0.64	0.54	0.54
(iii)	Cash & Cash Equivalents	Level 2	66.47	66.47	28.03	28.03
(iv)	Trade receivables	Carried at amortised cost.	169.79	169.79	203.57	203.57
(v)	Loans and other receivable (Non- Current)		26.64	26.64	28.02	28.02
(vi)	Loans and other receivable (Current)		45.76	45.76	29.13	29.13
4	**Assets measured at cost less impairment where recoverable amount is fair value less cost of disposal Ninaidevi Unit**	Level 2	-	-	18.86	18.86

(₹ in crore)

Sl. No.	Particulars	Fair value hierachy	As at March 31, 2020		As at March 31, 2019	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**					
	Borrowings - Non Current	Carried at amortised cost.	424.39	424.39	460.75	460.75
	Other financial liability - Non Current		3.67	3.67	3.67	3.67
	Borrowings - Current		768.22	768.22	517.00	517.00
	Other financial liability - Current		139.53	139.53	97.44	97.44
	Trade payables		401.96	401.96	420.17	420.17
	Total		**1,737.77**	**1,737.77**	**1,499.03**	**1,499.03**

A - Company has fair valued its debt based mutual fund investment through profit & loss.

B - Company has opted to fair value its quoted investments in equity share through OCI.

C - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

47 Disclosure Required by Companies Act 2013

(a) **Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) :** NIL

(b) **Particulars of Guarantee given:** NIL

(c) **Particulars of Investments made:** (₹ in crore)

S.N.	Name of the Investee	Opening Balance	Investment made	Investment sold	Closing Balance	Purpose
1	Dalmia Bharat Limited*	9.90	-	-	9.90	Long term Investment

* excluding fair valuation impact.

(d) **Particulars of Security Deposit :** NIL

(e) **Expenditure incurred on Corporate Social Responsibilities**

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below:

(i) Detail of CSR Expenditure (₹ in crore)

Particulars	2019-20	2018-19
a) Gross amount required to be spent by the company during the year	3.90	2.87
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.90	2.92
Total	**3.90**	**2.92**

(ii) Various heads under which CSR Expenditure is incurred (₹ in crore)

Description	Relevant Clause of SCH VII of Companies Act 2013	2019-20	2018-19
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.65	0.92
Skill Training & Livelihood	Clause No. II & III	0.96	1.31
Soil, Water & Energy Conservation	Clause No. IV	0.55	0.39
Programme Execution		0.14	0.25
		2.30	**2.87**
Expenditure done directly by the company			
Social Development	Clause No. I & X	0.12	0.05
Contribution of PM Cares Fund	Clause No. viii	1.00	-
Soil, Water & Energy Conservation	Clause No. IV	0.43	-
Programme Execution		0.05	-
Total Expenditure by the Company		**3.90**	**2.92**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

48 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to ScheduleIII to the Companies Act, 2013

Particulars	As on the balance sheet date Net assets,i.e.,total assets minus total liabilities	
	As % of consolidated net assets	(₹ in crore)
Himshikhar Investment Limited		
As on 31.03.2020	(5.62)	(85.32)
As on 31.03.2019	((0.89))	((13.62))

Particulars	Share in profit or loss	
	As % of consolidated profit or loss	(₹ in crore)
Himshikhar Investment Limited		
FY 2019-20	(1.81)	(4.47)
FY 2018-19	((6.75))	((12.25))

Particulars	Share in profit or loss (After OCI)	
	As % of consolidated profit or loss (After OCI)	(₹ in crore)
Himshikhar Investment Limited		
FY 2019-20	(100.20)	(71.36)
FY 2018-19	(172.50)	((73.85))

49 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

50 The company has adopted IND AS 116 "Leases" with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not have any impact on the profits for this Year.

51 The COVID-19 outbreak & resultant national lock down imposed by the Government from 25th March, 2020 has caused Pan-India disruption of businesses. Government took adequate steps to ensure uninterrupted crushing operations of sugar mills in Uttar Pradesh as sugar is classified as an essential product.

It is estimated that the lock-down could impact the overall domestic sugar demand & consumption by more than a million tons leading to pressure on the selling price of sugar in future. However the already initiated measures of the Government such as fixing of MSP for sugar, regulating domestic sale by way of monthly release mechanism and export of sugar under MAEQ 2019-20, to support the industry.

The Company has considered the uncertainties relating to COVID-19 pandemic in assessing the recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventories and other assets as at the balance sheet date. For this purpose, Company considered internal and external sources of information up to the date of approval of these financial results. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of its assets mentioned earlier. The financial statements have been prepared accordingly. As the situation continues to evolve, the Company will closely monitor any material changes in the future economic conditions.

52 The Central Government has announced incentives to the sugar industry for the sugar season 2019-20 whereby sugar mills shall be entitled to assistance towards marketing and transportation costs related to export of sugar up to the Maximum Admissible Export Quantity (MAEQ) determined by the Central Government. Such incentives shall be made available to the sugar mills upon fulfilment of prescribed conditions which mainly includes export of at least 50% of its MAEQ of sugar. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and review of availability position of sugar.

Upon assessment of the conditions prescribed, the Company has recognized such subsidy in respect of quantities of sugar for which substantive condition of the above said scheme has been fulfilled (i.e. export of sugar has been completed till the year end along with the completion of export of at least 50% of MAEQ of sugar allocated to a specific mill) and has not recognised subsidy in respect of quantities of sugar for which export is under process as at the year end, on consideration of prudence. Accordingly during the year, the company has accounted for subsidy for 4356 MT amounting to ₹ 4.55 crore, against the total exports of 34040 MT for the year.

53 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

54 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For NSBP & Co.
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	Aashima Khanna	Anil Kataria	B B Mehta	Gautam Dalmia
Partner	*Company Secretary*	*C.F.O*	*W.T.D*	*Managing Director*
Membership No.: 095541	Membership No.: A34517	PAN: AALPK4889N	DIN:00006890	DIN:00009758

Place : New Delhi
Date : June 19, 2020

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Corporate Information

Board of Directors

P. Kannan
Chairman

Jai Hari Dalmia
Vice Chairman & Managing Director

Gautam Dalmia
Managing Director & Chief Executive Officer

Amita Mishra

T. Venkatesan

Bharat Bhushan Mehta
Whole Time Director

Chief Operating Officer

Pankaj Rastogi

Group Financial Officer

Jayesh Doshi

Chief Financial Officer

Anil Kataria

Company Secretary

Aashima Khanna

Statutory Auditors

NSBP & Co.,
Chartered Accountants

Bankers

Punjab National Bank

Axis Bank Limited

Indian Bank (Formerly Allahabad Bank)

HDFC Bank Limited

RBL Bank Limited

ICICI Bank Limited

Canara Bank

Union Bank of India (Formerly Corporation Bank)

Yes Bank Limited

IDBI Bank Limited

Bank of Baroda

Registered Office

Dalmiapuram – 621651,
Dist. Tiruchirapalli, Tamil Nadu.

Corporate Office

Hansalaya Building,
11th & 12th Floor,
15, Barakhamba Road,
New Delhi – 110 001.

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032

Dalmia
Bharat Sugar

7th floor, Hansalaya Building, 15 Barakhamba Road, New Delhi – 110001
Phone: 011-23310121/23/24/25 | Fax: 011-23313303
Email: investorrelations@dalmiabharat.com | corpcom@dalmiabharat.com
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